

Date: 31.08.2019

Ref: IZMO/SEC/2019-20

The Manager Listing BSE Ltd Floor 25, Phiroze Jeejeebhoy Tower Dalal Street, Mumbai-400001	The General Manager - Listing National Stock Exchange of India Ltd Plot No. C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai-400051
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Scrip Code: 532341/IZMO

**Sub:** Annual Report for the financial year 2018 - 2019 along with Notice of 24<sup>th</sup> Annual General Meeting.

Ref: Pursuant to Regulation 30 & 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

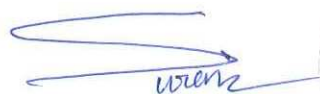
Please find enclosed herewith 24<sup>th</sup> Annual Report along with AGM Notice for the financial year 2018-19. We request you to take note of the following details:

- 1. Annual General Meeting:** 24<sup>th</sup> Annual General Meeting (AGM) will be held on Wednesday, 25<sup>th</sup> September, 2019 at 9.30 AM at Bharatiya Vidya Bhavan, Race Course Road, Bengaluru - 560 001, Karnataka.
- 2. Book Closure:** Register of Members and Share Transfer Books of the Company shall remain closed from 19<sup>th</sup> September, 2019 to 25<sup>th</sup> September, 2019 (both days inclusive)
- 3. E-Voting:** Start of remote e-voting: From 9.00 a.m. (IST) on Sunday, September 22, 2019. End of remote e-voting: Up to 5.00 p.m. (IST) on Tuesday, September 24, 2019.
- 4. E-Voting Cut-off date:** September 18, 2019.

The 24<sup>th</sup> Annual Report along with AGM Notice for the financial year 2018-19 is also available on the website of the Company at [www.izmoltd.com](http://www.izmoltd.com)

Kindly take the same on your records.

Thanking you,  
For IZMO Limited



Mr. Suraj Kumar Sahu  
Company Secretary

izmo

# Driving Revenue

24<sup>TH</sup> ANNUAL REPORT 2018 - 19



GLOBAL AUTOMOTIVE MARKETING

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DATA ANALYTICS

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VIRTUAL REALITY AND CGI

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DEFENCE PRODUCTS

## CGI Product Imagery

Last year, izmo introduced CGI technology to product imagery. Now companies can partner with izmo to create life-like imagery and virtual reality experiences even before their products hit the store shelves.



# Corporate Information

## Board of Directors

**Mrs. Shashi Soni**  
Chairperson

**Mr.Sanjay Soni**  
Managing Director

**Mr.Perur Phaneendra**  
Director

**Mr.Vijay Gupta**  
Director

**Mr.Ramanujam Krishnamurthy**  
Director

**Auditor**  
**Guru Prakash V**  
#297, 1st Floor, 35th Cross,  
7th Main, Jayanagar 4th Block,  
Bangalore – 560011

## Share Transfer Agents

Cameo Corporate Services Limited  
“Subramanian Building”, Vth Floor,  
Tel : 91-44-28460390 – 94  
Fax : 91-44-28460129  
Email: investor@cameoindia.com

## Bankers

HDFC Bank Limited  
Bilekahalli Branch, J.P.Nagar  
4th Phase, Bengaluru-78

## Registered & Corporate Office

Izmo Limited  
177/2C, Bilekahalli Industrial Area,  
Bannerghatta Road,  
Bengaluru – 560 076, India  
Tel : 91-80-67125400 to 5407  
Fax: 91-80-67125408  
Email : info@izmoltd.com

## INDIA

### Sales & Marketing Offices

#### Mumbai

izmo Limited  
306, Balarama, Bandra Kurla  
Complex, Bandra East,  
Mumbai – 400051  
Tel / Fax: 91-22-40061859

#### Delhi

izmo Limited  
13-d, Hansalaya Building  
15, Barakhamba Road,  
New Delhi – 110001  
Tel: 91-11-46575529

#### U.S.A

##### Corporate Head Quarter

**San Francisco**  
230 California Street, Suite 510,  
San Francisco, CA 94111  
Tel: +1 415.694.6000

##### Photography Studio, Long Beach

3940 E.Gilman Street  
Long Beach, CA 90815  
Tel : 562.597.5740  
Fax : 562.597.9616

##### Marketing Office

1200 Harger Rd.Suite 320,  
Oakbrook, IL 60523

#### EUROPE

Brussels, Diegemstraat 45  
1800 Vilvoorde,  
Belgium,  
Tel: 032 (2) 751 0359

## France

69-71 Avenue Pierre Grenier  
92100 Boulogne-Billancourt  
Tel: +33 (1) 85 39 07 93

## Core Management Team U.S.A

**Mr. Tej Soni**  
President of izmocars

**Mr. Chris Daniels**  
Head – Studio Operations

**France**  
**Mr. David Descottes**  
Deputy CEO

#### India

**Mr. Sarbashish Bhattacharjee**  
Chief Technology Officer

**Mrs. Kiran Soni**  
Chief Financial Officer

**Mr. Suraj Kumar Sahu**  
Company Secretary & Compliance  
Officer

**Mr. Gopi SD**  
Associate Director – Finance &  
Accounts

**Mr. Akula Satya Kiran**  
Head – Web Division

**Mr. Dipankar Kacharia**  
Head – AOA Division

## Websites

www.izmoltd.com  
www.izmocars.com  
www.izmocars.fr  
www.izmoitalia.it  
www.izmomedia.com

www.izmoweb.com  
www.izmocars.eu  
www.izmo.es  
www.izmoweb.in  
www.izmofx.com

www.izmostudio.com  
www.izmostudio.eu  
www.izmostock.com  
www.autobycall.com  
www.izmovo.fr

## NOTICE

### Notice of 24<sup>th</sup> Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 24<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF IZMO LIMITED WILL BE HELD AT BHARATIYA VIDYA BHAVAN, RACE COURSE ROAD, BENGALURU – 560 001, KARNATAKA ON WEDNESDAY, 25<sup>TH</sup> DAY OF SEPTEMBER, 2019 AT 9.30 AM TO TRANSACT THE FOLLOWING BUSINESSES:

#### ORDINARY BUSINESS:

##### Item No. 1: Adoption of Accounts

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and the Auditors' Report thereon and the Report of the Directors' along with the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and the Auditors' Report thereon.

Members are requested to consider and pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT**, the standalone and consolidated Audited Financial Statements for the Financial Year ended March 31, 2019, together with the Auditors' and Board's Report thereon, along with relevant annexures, be and are hereby received, considered, approved and adopted.

**RESOLVED FURTHER THAT**, the Board of Directors of the Company (including Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and/ or expedient, to give effect to this resolution(s), including delegation of powers herein, to any of the Directors and/ or officers of the Company."

##### Item No. 2: Re-appointment of director who retires by rotation

To re-appoint of Mrs. Shashi Soni (DIN-00609217), who retires by rotation, and being eligible, offers herself for re-appointment.

Members are requested to consider and pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded to the re-appointment of Mrs. Shashi Soni as director liable to retire by rotation.

**RESOLVED FURTHER THAT**, the Board of Directors of the Company (including Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to the foregoing resolution(s), including delegation of powers herein, to any of the Directors and/or officers of the Company."

#### SPECIAL BUSINESS:

##### 3. Re-appointment of Mr. Sanjay Soni (DIN-00609097) as Managing Director of the Company

Members are requested to consider and pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 along with other applicable provisions, if any, of the Companies Act 2013, as amended from time to time, the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) 2015 as Amended and any other Rules/ Regulations/ Guidelines if any prescribed by the SEBI, subject to approval of the Central Government if necessary, and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities, in granting such approvals, permission and sanctions, consent of Members of the Company be and is hereby accorded for the re-appointment of Mr. Sanjay Soni (DIN-00609097) as Managing Director of the Company with effect from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2022 for a period of 3 (three) years on such remuneration as set out below:

1. Mr. Sanjay Soni - Managing Director with effect from 01.04.2019 for a period of 3 years.
2. Salary inclusive of allowances and perquisites as follows :

For the Financial Year	Salary
1.04.2019 to 31. 03.2020	6,00,000 (Rupees Six Lakhs only) per month.
1.04.2020 to 31. 03.2021	6,60,000 (Rupees Six Lakhs Sixty thousand only) per month.
1.04.2021 to 31. 03.2022	7,26,000(Rupees Seven Lakhs Twenty Six thousand only) per month.

3. Commission not more than 1% of the net profits of the Company.

## NOTICE

4. Unless the context otherwise requires, the perquisites are classified into three categories “A”, “B” and “C” as follows

### Category “A”:

The expenditure incurred by the Company on providing furnished residential accommodation for the Appointee shall be subject to a ceiling of 60% (Sixty percent) of the Appointee’s salary over and above 10% payable by the Appointee himself.

### Alternatively:

In case, the Company provides the accommodation, the Company shall deduct 10% of the salary of the Appointee.

### Alternatively:

In case, no accommodation is provided by the Company, the Appointee shall be entitled to House Rent Allowance, subject to a ceiling of 60% (Sixty percent) of salary payable to the Appointee.

### Explanation:

- I. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income Tax Rules, 1962, as amended from time to time. However, such expenditure shall be subject to a ceiling of 10% (Ten percent) of the Appointee’s annual salary each year.
- II. Medical Reimbursement: Expenses incurred for the Appointee and his family, subject to a ceiling of one month’s salary in a year or three month’s salary over a period of three years.
- III. Leave Travel Concession: For Appointee and his family once in a year, while on leave, in accordance with the rules and regulations applicable to senior managers of the Company from time to time.
- IV. Personal Accident Insurance: Premium not to exceed Rs. 25,000/- (Rupees Twenty Five Thousand only) per annum.

### Explanation:

For the purpose of category “A”, Family means: Spouse, dependent children and dependent parents of the Appointee.

### Category “B”:

- I. Contribution to Provident Fund, Superannuation Fund and Annuity Fund: These will be in accordance with the schemes applicable to senior managers of the Company from time to time and will not be included in the computation of ceiling on perquisites mentioned above to the extent they either singly or put together are not taxable under the Income Tax Act, 1961, as amended from time to time.
- II. Gratuity: In accordance with the rules and regulations applicable to senior managers of the Company from time to time but not exceeding half month’s salary for each completed year of service.
- III. Encashment of Leave at the end of the tenure: In accordance with the rules and regulations applicable to the senior manager of the Company from time to time, the monetary equivalent of such encashment leave shall not be included in the computation of the ceiling on perquisites.

### Category “C”:

Provision of car for the use of Company’s business and telephone at residence shall not be considered as perquisites. Personal long distance calls and use of car for personal use shall be billed to the Appointee.

### MINIMUM REMUNERATION:

In the event of absence or inadequacy of profits in any Financial Year during the tenure of his appointment, the Managing Director may be paid the substantive remuneration as stated above as the Minimum Remuneration subject to however that unless approved by the Shareholders and the Central Government, as may be necessary, the amount of salary, commission, perquisites and other allowances payable to the Managing Director shall be subject to the limits prescribed under Schedule V of the Companies Act, 2013, as may be in force for the time being.

Further, in the event of any Statutory Amendments or modifications or relaxation by the Central Government to Schedule V of the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including the salary, commission, perquisites, allowances, etc., with such prescribed limit or ceiling and any arrangement between the Company and Mr. Sanjay Soni be suitably amended to give effect to such modification, relaxation or variation with or without any further reference to the Company in General Meeting.

## NOTICE

**RESOLVED FURTHER THAT** either party can give three months notice in the event of termination of the said post/arrangement.

**RESOLVED FURTHER THAT** in the event of Mr. Sanjay Soni ceasing to be the Managing Director due to any causes whatsoever, he shall not be eligible for any compensation for loss of office.

**RESOLVED FURTHER THAT** the Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or committees thereof.

**RESOLVED FURTHER THAT,** the Board of Directors of the Company (including Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to the foregoing resolution(s), including delegation of powers herein, to any of the Directors and/or officers of the Company.”

### **Item No.4: Re-appointment of Mrs. Shashi Soni (DIN-00609217) as Chairperson and Whole Time Director of the Company**

Members are requested to consider and pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 along with other applicable provisions, if any, of the Companies Act 2013, as amended from time to time, the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) 2015 as Amended and any other Rules/ Regulations/ Guidelines if any prescribed by the SEBI, subject to approval of Central Government if necessary, and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities, in granting such approvals, permission and sanctions, consent of the Members of the Company be and is hereby accorded for the re-appointment of Mrs. Shashi Soni ( DIN- 00609217) as Chairperson and Whole Time Director of the Company for a period of three years with effect from 1st October, 2019 to 30th September, 2022 on such remuneration as set out below:

1. Mrs. Shashi Soni - Chairperson and Whole Time Director with effect from 01.10.2019 for a period of 3 years.
2. Salary of Rs. 1,50,000/- (Rupees One Lakhs Fifty Thousand only) per month.
3. Commission not more than 1% of the net profits of the Company.
4. Unless the context otherwise requires, the prerequisites are classified into three categories “A”, “B” and “C” as follows:

#### **Category “A”:**

The expenditure incurred by the Company on providing furnished residential accommodation for the Appointee shall be subject to a ceiling of 50% (Fifty percent) of the Appointee’s salary over and above 10% payable by the Appointee salary.

#### **Alternatively:**

In case, the Company provides the accommodation, the Company shall deduct 10% of the salary of the Appointee.

#### **Alternatively:**

In case, no accommodation is provided by the Company, the Appointee shall be entitled to House Rent Allowance, subject to a ceiling of 50% (Fifty percent) of salary payable to the Appointee.

#### **Explanation:**

- I. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income Tax Rules, 1962, as amended from time to time. However, such expenditure shall be subject to a ceiling of 10% (Ten percent) of the Appointee’s annual salary each year.
- II. Medical Reimbursement: Expenses incurred for the Appointee and her family, subject to a ceiling of one month’s salary in a year or three month’s salary over a period of three years.
- III. Leave Travel Concession: For Appointee and her family once in a year, while on leave, in accordance with the rules and regulations applicable to senior managers of the Company from time to time.
- IV. Personal Accident Insurance: Premium not to exceed Rs. 4,000/- (Rupees Four Thousand only) per annum.

#### **Explanation:**

For the purpose of category “A”, Family means: Spouse, dependent children and dependent parents of the Appointee.

## NOTICE

### Category “B”:

- I. Contribution to Provident Fund, Superannuation Fund and Annuity Fund: These will be in accordance with the schemes applicable to senior managers of the Company from time to time and will not be included in the computation of ceiling on perquisites mentioned above to the extent they either singly or put together are not taxable under the Income Tax Act, 1961, as amended from time to time.
- II. Gratuity: In accordance with the rules and regulations applicable to senior managers of the Company from time to time but not exceeding half month's salary for each completed year of service.
- III. Encashment of Leave at the end of the tenure: In accordance with the rules and regulations applicable to the senior manager of the Company from time to time, the monetary equivalent of such encashment leave shall not be included in the computation of the ceiling on perquisites.

### Category “C”:

Provision of car for the use of Company's business and telephone at residence shall not be considered as perquisites. Personal long distance calls and use of car for personal use shall be billed to the Appointee.

### MINIMUM REMUNERATION:

In the event of absence or inadequacy of profits in any Financial Year during the tenure of her appointment, the Whole Time Director may be paid the substantive remuneration as stated above as the Minimum Remuneration subject to however that unless approved by the Shareholders and the Central Government, as may be necessary, the amount of salary, commission, perquisites and other allowances payable to the Whole Time Director shall be subject to the limits prescribed under Schedule V of the Companies Act, 2013, as may be in force for the time being.

Further, in the event of any Statutory Amendments or modifications or relaxation by the Central Government to Schedule V of the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including the salary, commission, perquisites, allowances, etc., with such prescribed limit or ceiling and any arrangement between the Company and Mrs. Shashi Soni be suitably amended to give effect to such modification, relaxation or variation with or without any further reference to the Company in General Meeting.

**RESOLVED FURTHER THAT** either party can give three months notice in the event of termination of the said post/arrangement.

**RESOLVED FURTHER THAT** in the event of Mrs. Shashi Soni ceasing to be the Whole time Director due to any causes whatsoever, she shall not be eligible for any compensation for loss of office.

**RESOLVED FURTHER THAT** the Chairperson and Whole Time Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or committees thereof.

**RESOLVED FURTHER THAT,** the Board of Directors of the Company (including Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to the foregoing resolution(s), including delegation of powers herein, to any of the Directors and/or officers of the Company.”

### 5. Re-appointment of Mr. Ramanujam Krishnamurthy (DIN-06940830) as Non-Executive Independent Director of the Company, not liable to retire by rotation for a second term of 5(five) consecutive years

Members are requested to consider and pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Board be and is hereby accorded to recommend to the shareholders of the company for the re-appointment of Mr. Ramanujam Krishnamurthy (DIN-06940830), who was appointed as an Independent Director and who will hold office of Independent Director up to 30.09.2019 and being eligible for reappointment, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company with effect from September 30, 2019 up to September 30, 2024, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.”



## NOTICE

**RESOLVED FURTHER THAT**, the Board of Directors of the Company (including Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to the foregoing resolution(s), including delegation of powers herein, to any of the Directors and/or officers of the Company.”

**6. Re-appointment of Mr. Perur Phaneendra (DIN-06952301) as Non-Executive Independent Director of the Company, not liable to retire by rotation for a second term of 5(five) consecutive years**

Members are requested to consider and pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Board be and is hereby accorded to recommend to the shareholders of the company for the re-appointment of Mr. Perur Phaneendra (DIN-06952301), who was appointed as an Independent Director and who will hold office of Independent Director up to 30.09.2019 and being eligible for reappointment, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company with effect from September 30, 2019 up to September 30, 2024, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

**RESOLVED FURTHER THAT**, the Board of Directors of the Company (including Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to the foregoing resolution(s), including delegation of powers herein, to any of the Directors and/or officers of the Company.”

**7. Re-appointment of Mr. Vijay Gupta (DIN- 0929401) as Non-Executive Independent Director of the Company, not liable to retire by rotation for a second term of 5(five) consecutive years**

Members are requested to consider and pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Board be and is hereby accorded to recommend to the shareholders of the company for the re-appointment of Mr. Vijay Gupta (DIN- 0929401), who was appointed as an Independent Director and who will hold office of Independent Director up to 30.09.2019 and being eligible for reappointment, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company with effect from September 30, 2019 up to September 30, 2024, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.”

**RESOLVED THAT** pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of the Members be and is hereby accorded towards the continuation of directorship of Mr. Vijay Gupta, (DIN-00929401), as a Non-Executive Independent Director, notwithstanding attaining the age of seventy-five years (75), until the expiry of his second term on September 30, 2024.”

**RESOLVED FURTHER THAT**, the Board of Directors of the Company (including Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to the foregoing resolution(s), including delegation of powers herein, to any of the Directors and/or officers of the Company.”

By order of the Board

Sd/-

Sanjay Soni

Managing Director

DIN: 00609097

Place: Bengaluru

Date: 07.08.2019

# NOTICE

## NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her stead and a proxy need not be a member. The instrument duly completed appointing the proxy shall be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. A person can act as a proxy on behalf of not exceeding 50 (fifty) members and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company. During the business hours of the Company, proxy forms are open for inspection, for the period beginning 24 (twenty-four) hours before the commencement of the Meeting and ending with the conclusion of the Meeting, provided that an advance notice of not less than three days, is given to the Company.
2. Members are requested to notify any change in their addresses specifying full address in block letters with PIN code to the Company's Registrar and Share Transfer Agents at the following address: Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Near Spencers Signal on Anna Salai, Chennai, Tamil Nadu 600002.
3. Only registered Members carrying the attendance slip and the holders of valid proxies registered with the Company will be permitted to attend the Meeting. Corporate Members intending to send their representatives are requested to send a certified true copy of the Resolution authorizing the representative to attend and vote at the Annual General Meeting.
4. Members desiring any information with regard to Accounts/Reports are requested to write to the Company Secretary at least ten days before the Meeting so as to enable the Management to keep the information ready.
5. Members whose shareholding is in electronic mode are requested to direct notifications about change of address and updates about bank account details to their respective Depository Participant(s). The Members holding shares in physical form are requested to inform their bank account details to the company and/or the registrar and share transfer agent viz. Cameo Corporate Services Limited.
6. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Registrar and Share Transfer Agents as mentioned above or to the Company Secretary, at the Company's registered office. Pursuant to the provisions of the Companies Act, 2013 and other relevant Rules, the Company has accordingly transferred dividend remaining unpaid for seven years (7) to Investors Education and Protection Fund (IEPF).
7. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment / re-appointment at the AGM, forms part of the Notice and/or Annual Report.
8. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to Registrar and Share Transfer Agents.
9. In terms of the provisions of the Companies Act, 2013 and Rules made there under and Articles of Association of the Company, Mrs. Shashi Soni retires by rotation and being eligible offers herself for reappointment. A brief resume of Mrs. Shashi Soni along with the nature of her expertise are given herewith and forms part of the notice convening the Annual General Meeting.
10. Members are requested to bring their copy of the Annual Report with them to the Meeting.
11. The Company's Register of Members and Share Transfer Book shall remain closed, from 19th September, 2019 (Thursday) to 25th September, 2019 (Wednesday) (both days inclusive).
12. Investors may address their queries/communications to [company.secretary@izmoltd.com](mailto:company.secretary@izmoltd.com)
13. The Annual Report 2018-19 is being sent through electronic mode only to the Members whose e mail addresses are available with the Company/Depository Participant (s) unless any member has requested for physical copy of the Report. For Members who have not registered their e-mail addresses, physical copies of the Annual Report 2018-19 are being sent by permitted mode.
14. To support the Green initiatives taken by Ministry of Corporate Affairs, Members are requested to register their e-mail address with Depository Participant(s) /Company so that all communication / documents can be sent in electronic mode.
15. The voting for the agenda items shall be done by casting of votes by using Remote e-voting that is an electronic voting system from a place other than the venue of the Meeting (e-voting) and by Poll at the Meeting. Those who have exercised the option of e-voting shall be entitled to attend and participate in the Meeting but would not be entitled to vote at the Poll to be conducted at the venue of the AGM on the day of meeting.
16. Mr. V. Sreedharan (Membership No FCS 2347, CP 833), PCS Senior Partner of M/s V. Sreedharan & Associates, in his absence, Mr. Pradeep B. Kulkarni or Ms. Devika Sathyanarayana, Partners of M/s. V. Sreedharan & Associates have been appointed as the Scrutinizer to scrutinize the e-voting process and Poll in a fair and transparent manner.

## NOTICE

17. The Scrutinizer shall within a period not exceeding 48 hours from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairperson of the Company and/or authorized person of the Company who shall declare the results forthwith.
18. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.izmoltd.com](http://www.izmoltd.com) and on the Central Depository Services Limited (CDSL) at website [www.evotingindia.com](http://www.evotingindia.com) and communicated to the Stock Exchanges immediately after declaration.
19. The information and instructions relating to e-voting are as below:
  - (i) The voting period begins on 22nd September, 2019 (Sunday) at 9:00am (IST) and ends on 24<sup>th</sup> September, 2019(Tuesday) at 5:00 pm (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18<sup>th</sup> September, 2019 (Wednesday) of may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iv) Click on Shareholders.
  - (v) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (vi) Next enter the Image Verification as displayed and Click on Login.
  - (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.W
  - (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

## NOTICE

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Members can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 3:

Mr. Sanjay Soni was re-appointed as Managing Director for a term of 3 years with effect from 1st April, 2016 to 31st March, 2019 of the Company with such terms and conditions as mentioned in the aforesaid resolution.

Considering the background, his experience and the need of the Company, based on the recommendations of the Nomination & remuneration committee, your Board at its meeting convened on 6<sup>th</sup> February, 2019, has re-appointed him as Managing Director for a term of 3 years with effect from 1st April, 2019 to 31st March, 2022.

Pursuant to Sections 196, 197 of the Companies Act, 2013, read with Schedule V and the Securities & Exchange Board Of India (Listing Obligations And Disclosure Requirements) 2015 as Amended and any other Rules/ Regulations/ Guidelines if any prescribed by the SEBI, and with such terms and conditions as mentioned in the aforesaid resolution for reappointing Mr. Sanjay Soni as Managing Director, requires the approval of the members by passing a special resolution.

## **NOTICE**

Keeping in view that Mr. Sanjay Soni has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time; it would be in the interest of the Company to reappointment of Mr. Sanjay Soni as Managing Director.

Mr. Sanjay Soni is one of the Promoters of your Company and has been actively involved in the affairs of the Company from the beginning. He has been steering the Company from the beginning through tough times and has now worked hard to ensure that the Company has achieved respectable business position.

Mr. Sanjay Soni is a Graduate in Commerce and has undertaken extensive studies in IT related fields for the last over one decade. He has undergone Post Graduate Program from the Indian Institute of Management (IIM-B), Bangalore.

He has wide exposure to International Finance and Banking and has authored books on related fields.

This may be deemed to be an abstract under Section 190 of the Companies Act, 2013 of the terms and conditions of appointment of Mr. Sanjay Soni as Managing Director.

Disclosures under Secretarial Standard-2 is annexed to this Notice.

Your Board recommends passing of resolution specified under Item No. 3 as Special Resolution.

Mr. Sanjay Soni and Mrs. Shashi Soni are deemed to be interested in the transaction mentioned under Item No. 3, Apart from Mr. Sanjay Soni and Mrs. Shashi Soni none of the following persons are directly or indirectly interested or concerned, financially or otherwise, in the resolutions as set out under Item No. 3:

- i. Every director and manager of the Company;
- ii. Every key managerial person of the Company; and
- iii. Relatives of the persons mentioned in (i) and (ii) above.

### **Item No. 4:**

Mrs. Shashi Soni is one of the initial Directors of your Company, has been Chairperson and has been actively involved with the affairs of the Company from the beginning. She was instrumental in the significant growth of the Company and has good amount of experience in the line of the business.

Pursuant to Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution. Part 1 of Schedule V to the Act contains a similar relaxation.

Pursuant to Sections 196, 197 of the Companies Act, 2013, read with Schedule V and the Securities & Exchange Board Of India (Listing Obligations And Disclosure Requirements) 2015 as Amended and any other Rules/ Regulations/ Guidelines if any prescribed by the SEBI, and with such terms and conditions as mentioned in the aforesaid resolution for reappointing Mrs. Shashi Soni being age more than 70 years Chairperson and Whole Time Director, requires the approval of the members by passing a special resolution.

Mrs. Shashi Soni was re-appointed as Chairperson and Whole time Director for 3 years with effect from 1st October, 2016 to 30th September 2019 of the Company with such terms and conditions as mentioned in the aforesaid resolution.

Considering the background and her experience, based on the recommendations of the Nomination & remuneration committee, your Board at its meeting convened on 30th May, 2019, has re-appointed her as Chairperson and Whole time Director for 3 years with effect from 1st October, 2019 to 30th September 2022.

This may be deemed to be an abstract under Section 190 of the Companies Act, 2013 of the terms and conditions of appointment of Mrs. Shashi Soni as Chairperson & Whole time Director.

Disclosures under Secretarial Standard-2 is annexed to this Notice.

Your Board recommends passing of resolution specified under Item No. 4 as Special Resolution.

Mr. Sanjay Soni and Mrs. Shashi Soni are deemed to be interested in the transaction mentioned under Item No. 4, Apart from Mr. Sanjay Soni and Mrs. Shashi Soni none of the following persons are directly or indirectly interested or concerned, financially or otherwise, in the resolutions as set out under Item No. 4:

## NOTICE

- i. Every director and manager of the Company;
- ii. Every key managerial person of the Company; and
- iii. Relatives of the persons mentioned in (i) and (ii) above.

### Item No. 5, 6 & 7

Re-appointment of Mr. Ramanujam Krishnamurthy (DIN:06940830), Mr. Perur Phaneendra (DIN:06952301) and Mr. Vijay Gupta (DIN:00929401) as Non-Executive Independent Director(s) of the Company, not liable to retire by rotation.

The Members of the Company had earlier approved the appointment of Mr. Ramanujam Krishnamurthy (DIN:06940830), Mr. Perur Phaneendra (DIN:06952301) and Mr. Vijay Gupta (DIN:00929401) as Non-Executive Independent Director(s) of the Company, not liable to retire by rotation for a period of five years with effect from September 30, 2014 up to September 30, 2019. Accordingly, of Mr. Ramanujam Krishnamurthy Mr. Perur Phaneendra and Mr. Vijay Gupta shall complete their first term on September 30, 2019.

The Board of Directors of the Company ('the Board') at the meeting held on May 30, 2019, on the recommendation of the Nomination & Remuneration Committee ('the Committee'), proposed for the approval of Members, the reappointment of Mr. Ramanujam Krishnamurthy, Mr. Perur Phaneendra and Mr. Vijay Gupta, as Independent Directors not liable to retire by rotation, for a second term of 5 (five) consecutive years, starting from September 30, 2019 up to September 30, 2024, inter-alia in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), as set out in the Resolutions relating to their respective appointment.

Section 149, sub-section (10) of the Companies Act 2013, provides that an independent director shall hold office for a term of five consecutive years on the Board of a Company, but shall be eligible for reappointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.

Section 149, sub-section (11) provides that no independent director shall hold office for more than two consecutive terms. Explanation to sub-sections (10) and (11), provide that any tenure of an independent director on the date of Commencement of this Act shall not be counted as a term under those sub-sections. Therefore, Mr. Ramanujam Krishnamurthy, Mr. Perur Phaneendra and Mr. Vijay Gupta are entitled to second term till September 30, 2024.

Mr. Ramanujam Krishnamurthy (DIN: 06940830) has completed his Graduation in Commerce, Science and Law. He is also a member of the Institute of Company Secretaries of India. He has a rich experience in Compliance of various Laws and Administration. Mr. Ramanujam Krishnamurthy possesses relevant experience and knowledge in the field of Law and Administration. Presently, Mr. Ramanujam Krishnamurthy practices as an Advocate in the High Court of Karnataka.

Mr. P. Phaneendra (DIN: 06952301) has completed his Graduation in Commerce. He is also a member of the Institute of Company Secretaries of India, the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India. He has a rich experience in the matters of Finance, Cost and Taxation. Mr. P. Phaneendra possesses relevant experience and knowledge in the field of Finance, Cost and Taxation.

Mr. Vijay Gupta (DIN: 00929401) has completed his Graduation in Science. He has a rich industrial experience. He possesses relevant experience and knowledge in the field of Information Technology. Presently Mr. Vijay Gupta offers business consultation services to various corporate.

Accordingly, the Committee and the Board, are of the view that, given the knowledge, experience, contribution and performance evaluation of Mr. Ramanujam Krishnamurthy, Mr. Perur Phaneendra and Mr. Vijay Gupta, their continued association would be immensely beneficial to the Company, in its pursuit of growth and hence recommend to the Members to approve their re-appointment for a further period of five years up to September 30, 2024.

Requisite Notices under Section 160 of the Act by a Member, proposing the appointment of Mr. Ramanujam Krishnamurthy, Mr. Perur Phaneendra and Mr. Vijay Gupta have been received by the Company.

Further, requisite declarations and other disclosures have been received from Mr. Ramanujam Krishnamurthy, Mr. Perur Phaneendra and Mr. Vijay Gupta respectively, inter-alia stating that they meet the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015 and the Board has taken it on record after due assessment. In the opinion of the Board, Mr. Ramanujam Krishnamurthy, Mr. Perur Phaneendra and Mr. Vijay Gupta, fulfill the conditions specified in the Act, the Rules thereunder and the Listing Regulations, 2015.

## **NOTICE**

Mr. Ramanujam Krishnamurthy, Mr. Perur Phaneendra and Mr. Vijay Gupta shall be entitled to sitting fees and/or other remuneration with the prescribed limit as per companies act, 2013 & SEBI (LODR) 2015 read with applicable amendment if any.

Approvals of the Members by way of Special Resolutions are required for re-appointment of Mr. Ramanujam Krishnamurthy, Mr. Perur Phaneendra and Mr. Vijay Gupta in terms of Section 149 of the Act. Further, pursuant to Regulation 17 of the Listing Regulations 2015, approval of the Members by way of Special Resolution is also required for continuation of a Non-Executive Director beyond the age of seventy five years. Mr. Vijay Gupta has already attained age of seventy five years during the present term for that the company has already obtained the special resolution in the last AGM. The Special Resolutions under Item No 7, once passed, shall also be deemed as Members' approval under the Listing Regulations 2015, for continuation of Mr. Vijay Gupta as Independent Director, beyond the age of seventy five years.

Additional information in respect of Mr. Ramanujam Krishnamurthy, Mr. Perur Phaneendra and Mr. Vijay Gupta, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings which inter-alia includes, a brief resume, nature of his expertise in specific functional areas, names of companies in which he holds directorship(s), membership(s) of the Board's Committees, shareholding in the Company and relationships between the directors inter-se are given herein and forms part of the Notice.

Mr. Ramanujam Krishnamurthy, Mr. Perur Phaneendra and Mr. Vijay Gupta are not related to any of the Directors on the Board and/or Key Managerial Personnel of the Company. Mr. Ramanujam Krishnamurthy, Mr. Perur Phaneendra and Mr. Vijay Gupta and / or their respective relatives may be deemed to be interested in the resolutions set out at Item No.5, 6 & 7 of the Notice.

Save and except the foregoing, none of the other Directors or Key Managerial Personnel of the Company or their Relatives is, in any way, concerned or interested, in the resolutions as set out respectively at Item No. 5,6 & 7 of the Notice.

Mr. Gupta holds 232524 equity shares of Rs 10/- each, of the Company. Mr. Ramanujam Krishnamurthy & Mr. Perur Phaneendra do not hold any shares of the Company.

The Board recommends the Special Resolutions set out at Item No. 5,6 & 7 of the Notice, for approval by the Members of the Company.

Place: Bengaluru  
Date: 07.08.2019

By order of the Board  
For IZMO Limited  
Sd/-  
Sanjay Soni  
Managing Director  
DIN: 00609097

## NOTICE

### DISCLOSURES REQUIRED TO BE GIVEN PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND THE SECRETARIAL STANDARDS 2:

Particular	Mr. Sanjay Soni	Mrs. Shashi Soni	Mr. Ramanujam Krishnamurthy	Mr. Perur Phaneendra	Mr. Vijay Gupta
<b>Age</b>	<b>51 Years</b>	<b>78 Years</b>	<b>67 Years</b>	<b>59 Years</b>	<b>75 Years</b>
Qualifications	Graduate in Commerce and has undertaken extensive studies in IT related field for the last over one decade. He has undergone Post Graduate Program from the Indian Institute of Management(IIM-B), Bengaluru	Graduate	Graduate in Commerce, Science, Law and Member of ICSI	Graduate in Commerce and Member of ICAI, ICSI and ICWAI	Graduate in Science
Experience and brief resume of the director and nature of his expertise in specific functional areas	Mr. Sanjay soni has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time. He is being promoter and managing director has been involved in the Management and headed the company Since its incorporation.  He has wide exposure to International Finance and banking and has authored books on related fields.	Mrs. Shashi Soni has about 45 years of business experience in diverse industries such as entertainment, industrial Gases and transportation. She has vast knowledge of business and expertise in dealing with HR and Administrative matters	He has a vast experience in compliance of various Laws and Administration	He has vast experience as financial advisors, financial consultant and also has experience of liasioning with SEBI, Stock Exchanges and various Government Departments.	37 Years Industrial Experience
Terms and conditions of re-appointment and details of remuneration sought to be paid	As per resolution 3	As per resolution 4	Appointed as a non-executive Independent Director, not liable to retire by rotation with same term and condition as appointed earlier and sitting fees as per prescribed limit of Companies act, 2013	Appointed as a non-executive Independent Director, not liable to retire by rotation with same term and condition as appointed earlier and sitting fees as per prescribed limit of Companies act, 2013	Appointed as a non-executive Independent Director, not liable to retire by rotation with same term and condition as appointed earlier and sitting fees as per prescribed limit of Companies act, 2013
Remuneration last drawn	Rs. 500,000 Per Month	Rs. 125,000 Per Month	Sitting fees as per prescribed limit of Companies act, 2013	Sitting fees as per prescribed limit of Companies act, 2013	Sitting fees as per prescribed limit of Companies act, 2013
Date of first appointment on the Board	01.04.1999	01.06.2001	30.09.2014	30.09.2014	23.07.2004
Shareholding in the company (As on 31.03.2019)	27,67,613	6,87,787	Nil	Nil	2,32,524
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Sanjay Soni(MD) is son of Mrs. Shashi Soni(WTD) and Spouse of Mrs. Kiran Soni(CFO)	Mrs. Shashi Soni(WTD) is mother of Mr. Sanjay Soni(MD) and Mother in Law of Mrs. Kiran Soni(CFO)	NA	NA	NA



**NOTICE**

The number of Meetings of the Board attended during the year	No. of Board Meetings held: 4 Attended: 4	No. of Board Meetings held: 4 Attended: 1	No. of Board Meetings held: 4 Attended: 4	No. of Board Meetings held: 4 Attended: 4	No. of Board Meetings held: 4 Attended: 1
Directorships, Membership/ Chairmanship of Committees of other Boards	Directorship in 1. D'gipro Design Automation And Marketing Private Limited 2. SI2 Microsystems Private Limited 3. Hughes Precision Manufacturing Private Limited	Directorship in Deep Heritage Private Limited	Directorship in Pioneer Distilleries Limited	NA	Directorship in Aries Gases Private Limited

Following are details of Mr. Sanjay Soni Directorship(s) and/or Committee Membership(s):

Directorship(s) in Listed Companies	
1.	Izmo Limited

Details of Committee Membership(s) in Listed Companies (Includes only Audit and Stakeholders Relationship Committee)			
Sl. No.	Name of the Company	Name of Committee(s)	Designation (Member or Chairperson)
1.	Izmo Limited	NA	NA

Following are details of Mrs. Shashi Soni Directorship(s) and/or Committee Membership(s):

Directorship(s) in Listed Companies	
1.	Izmo Limited

Details of Committee Membership(s) in Listed Companies (Includes only Audit and Stakeholders Relationship Committee)			
Sl. No.	Name of the Company	Name of Committee(s)	Designation (Member or Chairperson)
1.	Izmo Limited	NA	NA

Following are details of Mr. Ramanujam Krishnamurthy Directorship(s) and/or Committee Membership(s):

Directorship(s) in Listed Companies			
1.	Izmo Limited	2	Pioneer Distilleries Limited

**NOTICE**

Details of Committee Membership(s) in Listed Companies (Includes only Audit and Stakeholders Relationship Committee)			
Sl. No.	Name of the Company	Name of Committee(s)	Designation (Member or Chairperson)
1.	Izmo Limited	Audit Committee	Member
		Nomination & Remuneration Committee	Member
		Stake Holders' Relationship Committee	Member
2.	Pioneer Distilleries Limited	Audit Committee	Chairperson
		Nomination & Remuneration Committee	Member
		Stake Holders' Relationship Committee	NA

Following are details of Mr. Perur Phaneendra Directorship(s) and/or Committee Membership(s):

Directorship(s) in Listed Companies	
1.	Izmo Limited

Details of Committee Membership(s) in Listed Companies (Includes only Audit and Stakeholders Relationship Committee)			
Sl. No.	Name of the Company	Name of Committee(s)	Designation (Member or Chairperson)
1.	Izmo Limited	NA	NA

Following are details of Mr. Vijay Gupta Directorship(s) and/or Committee Membership(s):

Directorship(s) in Listed Companies	
1.	Izmo Limited

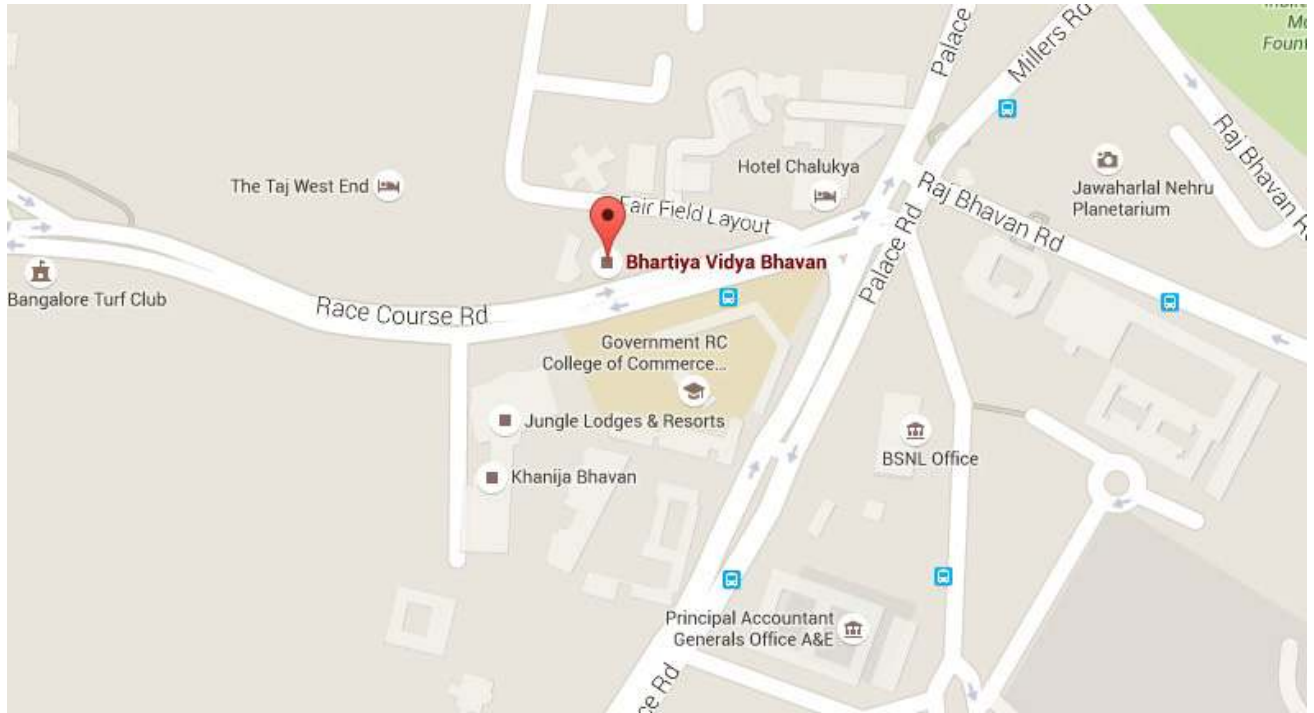
Details of Committee Membership(s) in Listed Companies (Includes only Audit and Stakeholders Relationship Committee)			
Sl. No.	Name of the Company	Name of Committee(s)	Designation (Member or Chairperson)
1.	Izmo Limited	NA	NA

Place: Bengaluru  
Date: 07.08.2019

By order of the Board  
For IZMO Limited  
Sd/-  
Sanjay Soni  
Managing Director  
DIN: 00609097

# NOTICE

## Route Map for the Venue of Annual General Meeting



## Board's Report



*Tulip Fields in Holland (Champs de Tulipes en Holland)*

by Claude Monet, founder of French Impressionism, 1886.

## Dear Members,

Your Directors are pleased to present 24th Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2019.

**Consolidated financial statements** of accounts for the year ended 31st March, 2019.

Rs. in lakhs

Particulars	2018-19	2017-18
Revenue from Operations	9,216.52	6,298.66
Other Income	395.04	507.48
Total Revenue	9,611.56	6,806.14
Direct cost of operations	72.26	71.62
(Increase)/Decrease in Stocks/WIP	(4.57)	0.55
Employee Benefit Expenses	3,815.94	2,961.30
Financial Expenses	137.99	118.67
Depreciation	1,516.95	1,225.61
Other Expenses	3,333.00	1,533.37
Total Expenses	8,871.57	5,911.12
Profit/ (Loss) before Tax & Exceptional Item	739.99	895.02
Exceptional or Extraordinary Items	--	191.22
Profit/ (Loss) before Tax	739.99	703.79
Provision for Taxation	(36.64)	(34.54)
MAT Tax Credit	34.91	--
Deferred Tax	(61.86)	(64.11)
Profit / (Loss) after Tax	676.40	605.15
Other Comprehensive Income	15.58	23.07
Total Comprehensive Income for the year	691.98	628.23

## Performance on a Consolidated Basis

The Company's performance on a consolidated basis has shown a significant improvement over the previous year. The revenues have increased by 41%, whereas profits have increased by approximately 10%. The Company has achieved higher sales as a result of expansion in the European market. The company's revenues from the European market have increased significantly in the last 3 years and now constitute nearly 40% of the total revenues.

## Board's Report

The Company hopes to achieve higher growth in the current year due to several new products which have been introduced for the Automotive Market. The Company is now a market leader in France. Out of the Top 10 dealer groups in France, 6 are customers of our products.

The Data Analytics division is also seeing a wider acceptance of its solution in the US market. Since this was a new concept, the product went through a lot of iterations before the customers expressed their satisfaction with the product suite. This division's revenues are increasing steadily and is expected to contribute significantly to the company's revenues in the US market in 2019-2020.

The Company has added several new clients for its images and CGI production services including the largest entertainment company in the world !!! This is a major breakthrough for the company and substantial business is expected from this client in the future.

### Standalone financial statements of accounts for the year ended 31st March, 2019

Rs. in lakhs

Particulars	2018-19	2017-18
Revenue from Operations	2,582.21	2,260.00
Other Income	229.12	463.38
Total Revenue	2,811.33	2,723.38
Direct cost of operations	72.26	71.62
(Increase)/Decrease in Stocks/WIP	(4.57)	0.55
Employee Benefit Expenses	1,718.96	1,665.94
Financial Expenses	136.08	118.67
Depreciation	262.54	121.16
Other Expenses	546.19	597.28
Total Expenses	2,731.46	2,575.22
Profit/ (Loss) before Tax & Exceptional Item	79.87	148.15
Exceptional or Extraordinary Items	--	--
Profit/ (Loss) before Tax	79.87	148.15
Provision for Taxation	(36.64)	(34.53)
MAT Tax Credit	34.91	--
Deferred Tax	(61.86)	(64.10)
Profit / (Loss) after Tax	16.27	49.50
Total Other Comprehensive Income	15.58	23.08
Total Comprehensive Income for the period	31.85	72.58

## Performance

The Company's sales on a standalone basis has shown nearly 14% increase over the previous year. The other income has shown a sharp drop since there were no one-time capital gains in the current year as compared to the previous year.

## Analysis of Expenses

Employee benefit expenses have shown a slight increase over the previous year. This is primarily due to increase in the employee count in India due to the expansion of the CGI and VR development divisions.

Depreciation has increased by more than 100% as the company has decided to accelerate the write off of earlier capitalized costs.

## Profitability

The company's profitability has reduced slightly due to the increase in employee expenses. However, the company expects to increase its profitability during the current year as a result of higher sales in the United States, Mexico, India and Europe.

## Dividend

In order to augment the ongoing expansion programmes, the Directors have decided to plough back the profits into the system and regret inability to recommend dividend.

## Board's Report

*Vehicle marketing is unpredictable. Customer preferences change overnight, and most marketing vendors are struggling to fulfil promises.*

### Business Overview

At izmo, there has never been a better time to be in business.

Interestingly, the last financial year has been one of the best years for izmo, in terms of business, customers, and revenue.

## Business Review, Management Discussion and Analysis Report

### Segment-wise Performance

Performance on the face of tough competition is what separates high-performing companies with deep domain expertise from the rest. Take izmostock, for instance. The izmo automotive stock photography portal is now amongst the top 3 Automotive Stock Image websites in the world and is growing at a rate of 50% annually.

### Rental Car and Leasing Industry Solutions

The Rental Car Industry Solution launched by your company was also a spectacular success, and now all of the major rental car companies worldwide are izmo clients.

The world's largest online travel portals use izmo images and 75% of all global rental car listings are now powered by izmocars.





During the financial year, izmo also launched a Leasing Industry Solution. This is an important market sector and many major leasing companies are now clients, serving all major automotive markets worldwide.

CGI based production has further enabled izmo to expand global model coverage in markets outside of the regions served by izmo's studios. We now cover more than 75% of the automotive models in all major markets worldwide, except China.

### **World's First CG 3D WebGL automotive visualizer platform**

Your company continues to expand and grow its CG business under the izmofx branding, with the launch of a major CG 3D WebGL visualizer platform for automotive clients.

### **CG Assets for Leading Global Video Game Developers**

Additionally, we've begun expanding into providing CG assets for video game platforms, with one of the world's top game developers as our first client. Assets are being produced for an already shipping video game on a world-leading gaming platform. We are also developing izmofx into a leading CG art resource for video game companies.

Finally, we've begun developing our new consumer products CG line, and are in talks with leading Agencies to supply CG assets. CG is flexible, and provides unlimited possibilities, and izmofx is leading the way.

## Board's Report

The visual media divisions of your company operate in 16 countries, with studios in Long Beach, USA and Brussels, Belgium, state-of-the-art image processing facilities in Bangalore, India, and clients in the USA, Mexico, Colombia, Belgium, Brazil, China, France, Germany, Italy, Netherlands, Portugal, Russia, Spain, Switzerland, Turkey, and India.

Presently, izmo is serving:

- The world's top corporations
- Automotive OEMs
- Prominent Portals
- Companies in automotive related businesses like leasing, rental, etc.
- Media
- Video Game Developers
- Ad Agencies and creative studios
- Retail clients

*If the first part of izmo's business – automotive imagery, video, CGI, vehicle and Accessories Visualizer, and Virtual Reality - offers automotive OEMs, retailers, and service organizations powerful visual marketing solutions, the second part produces websites, class-leading automotive marketing, and data analytics to drive data-driven decision-making.*



Even a decade earlier, customers used to visit car showrooms before deciding which vehicle to buy. Not anymore. Now they visit showrooms after deciding which car to buy, and at what price. Left to themselves, dealers have no way of influencing these decisions at the showroom level.

To reach out to customers when they are yet to decide, dealers need auto dealer websites, powerful online and social marketing, and paid promotions, plus data analytics to grasp business trends and customer priorities, and pin-point opportunity as it emerges.

Your company is the only one that provides all of these out of the box.

## Websites and Portals

### Top Automotive web solutions provider in France and Mexico.

Your company is the #1 auto dealer website provider in France and Mexico. In addition to automotive OEMs, your company has added two prominent Motorbike OEMs to the retail customer list.



## Board's Report

### France

Apart from delivering retail websites to dealers belonging to 30 prominent automotive OEMs, izmo is now directly working with an automotive OEM to produce an automotive portal for new cars.

In addition, izmo is also rolling out a portal for a prominent tractor manufacturer, targeting customers in France, Luxembourg, and Switzerland.

Your company is presently serving all seven prominent retail groups in the country.

### Mexico

In Mexico, izmo added two more automotive OEMs to the existing list of 13 OEMs for retail websites. Your company also added 2 more Motorbike OEMs to the existing list of two OEMs.

### Columbia

Your company opened its account in Columbia with websites for dealers belonging to 5 major OEMs. We expect to see significant market traction in Columbia, in the coming years.

### The izmoweb Cloud Platform

The izmoweb "Responsive" web platform which hosts all izmo websites is the most advanced automotive web platform globally, with unmatched enterprise level functionality which helps dealers scale up and down effortlessly.

*Intelligent Web Design, izmo's design philosophy combining breathtaking visual design, ease of use, search friendliness, reliability, and scalability into one plug-and-play package, is largely responsible for the spectacular success of izmo websites.*





# Top Tier Digital Marketing and Advertising Partner

Your company is a top tier, full-spectrum digital marketing and advertising partner in the automotive retail space. From search marketing and social conversations to paid promotions, izmoRainmaker connects all the dots in the digital marketing roadmap to deliver a comprehensive solution that brings everyone onboard and delivers measurable results.

Every izmoRainmaker customer is serviced by a dedicated team comprising of a Project Manager backed by content specialists, digital marketing experts, social influencers, graphic designers, and programmers.

Our advanced web analytics and customer insights ensure that customers are always on top of the game.

## **FranchiseNow and izmoLeads**

Your company is also offering lead-generation services to Franchise companies, with over 60 companies in the U.S. and India being serviced in the financial year.

## Board's Report

# Frog Data. Bringing Data Centric Decision-making to Dealerships



*Deploying FrogData results in more deals, higher margins, improved employee and equipment utilization, high inventory turnover, higher lifetime customer loyalty, and much more.*

With 57 dealers belonging to 23 OEM brands using FrogData in the U.S., at the initial stage, the data analytics platform of your company is poised to enter the market in a big way.

The decision-making part of car buying now happens even before customers step into car showrooms. FrogData helps dealers take informed decisions backed by actionable information, constantly garnered from deep data analytics.

FrogData is built on a state-of-the-art open

architecture platform that can easily accommodate virtually any type of data from any system, new or old, and collate it in a centralized, easily usable database.

FrogData also offers dealers the flexibility to commence data analytics deployment at a scale and scope comfortable to them. They can start with just a few departments or the entire dealership in one shot.

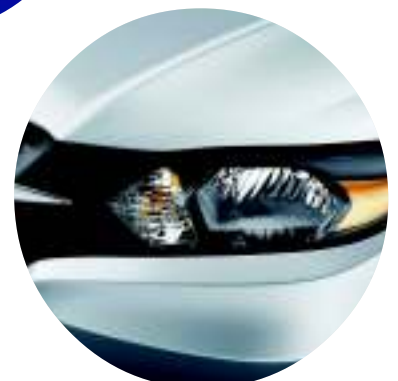
Partnerships with major players in the automotive vertical makes FrogData even easier to adapt.

# Automotive Parts Management

## **DistrigoBoost/ Parts Velocity/ Parts Gorilla**

The parts management solution of your company is fast gaining significant traction in Europe, with hundreds of users spanning seven countries including France, Netherlands, Italy, Belgium, Germany, Spain, and Portugal.

The parts management sector has significant order bookings and should see significant breakthroughs in the coming years.



## Board's Report



# Industry structure and developments

## *Americas*

### **USA**

After the slowest start to a year since 2014, U.S. auto sales is now pegged at 16.6 vehicles for 2019. Light trucks are expected to account for more than 70% of all new vehicles sold.

The average new-vehicle transaction price in June was \$36,642, up 3.3% compared to last year and the average used-vehicle transaction price in April was \$20,979, up 3.8%.

Significant volatility in the market, with SAAR (seasonally adjusted annual rate) values swinging month to month is welcome news for izmo. Previous experience tells us that uncertainty compels dealers to look for new solutions at a time when FrogData is expected to make a major breakthrough.

With the combined market push of innovative products like FrogData, Online and Social Marketing products like FranchiseNow and izmoLeads, izmoweb and izmoAuto websites, and new avatars of existing market-leading products like izmoflix, we expect to see new progress in the US market.





## Mexico

Mexico's Instituto Nacional de Estadística y Geografía (INEGI) reported sales of 105,699 light vehicles in July, representing a 7.9% decrease from the 114,811 sales in July 2018, continuing the trend right from April this year. As with the US market, market volatility is usually favorable for izmo.

Your company continues to be the favorite auto dealer website service provider in Mexico, serving dealers belonging to 15 OEMs.

*The CGI based Accessories Visualizer delivered to a prominent OEM is a global breakthrough for izmo.*

*Your company is also a strong presence in the 2-wheeler segment, adding two new OEMs to the existing list of two.*



# European Union

New car sales in the European Union (EU) contracted by 3.1% during the first half of 2019, with registrations declining 7.8% in June. Car sales declined 1.8% in France during the first half of the year.

## France

Your company continues to be the top auto dealer website and marketing solutions provider to the French automotive industry, serving dealers and groups belonging to 30 prominent OEMs. In addition, izmo is working with an automotive OEM to provide an automotive portal for new cars as well as a prominent tractor manufacturer, to deliver a portal targeting customers in France, Luxembourg and Switzerland.

## Spain

Your company has a significant presence in Spain, serving dealers belonging to 6 OEMs.

## Portugal

The Portuguese operations of izmo includes the popular auto service portal Ancra, with hundreds of dealers signing up for the service. Your company is also a prominent presence in the body shop segment, with generic body shop websites as well as websites for 6 OEM brands.

## Italy

In Italy, izmo serves dealers belonging to 6

## Board's Report

OEM brands, with state-of-the-art auto dealer websites and services.

### Belgium

Dealers of 6 automotive OEMs continue to be izmo customers in Belgium, where your company serves prominent dealer groups.

## ASIA

### India

Indian auto sales fell for the 9th consecutive month, with Maruti Suzuki sales down 35.52%, and Hyundai Motor down 10.28%.

In the two-wheeler segment, Suzuki Motorcycle India was the only two-wheeler maker to report positive growth.

With 87 online showrooms, izmocars India continues to be a leading car dealer website provider in India.

### Enterprise Products: Strategizing New Breakthroughs

In the last fiscal, the division added ZF India PVT LTD, GE India PVT LTD, and Merrill Technology Services India PVT LTD to the existing client list of Mercedes Benz, IBM, Kotak Mahindra Bank, HCL Technologies, Rambus Chip Technologies, Textron India Pvt. Ltd., Schneider Electric System, Infosys, Tech Mahindra, Bharti Airtel, Synopsys India, Vedanta, 3DPLM, Maruti Suzuki India Ltd., Calcutta Electric Supply Corporation (CESC), Cap Gemini Corporation, SQS India BFSI Ltd., and more.

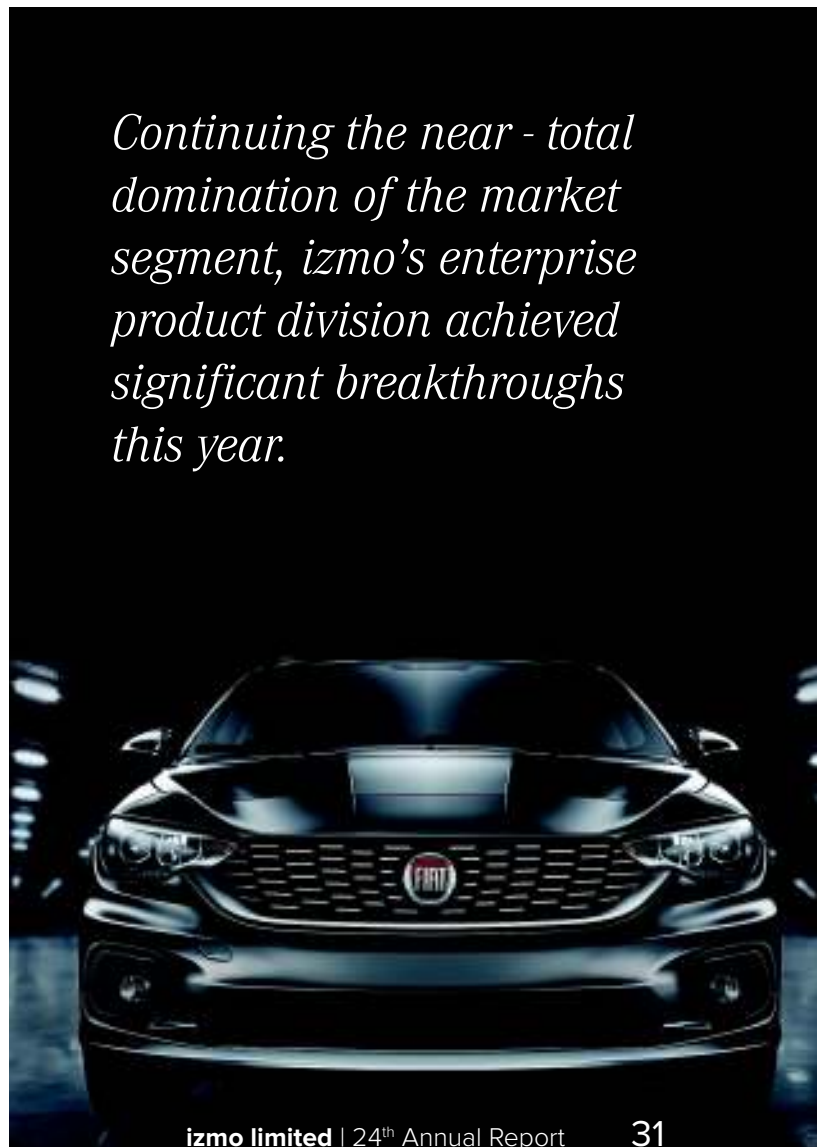
With the Industry focus shifting to hacker-proof zero-tolerance cyber security, the Enterprise products division of your company is poised to grow exponentially.

### Instant Business Websites in just 3 steps

From lawyers and doctors to hospital chains and yoga studios, izmoweb is finding traction in markets as diverse as the U S. and India.

Your company is now in the process of reinventing this business around the franchise website model which brings in dozens of websites with one order.

*Continuing the near - total domination of the market segment, izmo's enterprise product division achieved significant breakthroughs this year.*



# izmo: a long tradition of innovation

PartsGorilla, FrogData, CGI, and VR are among a long series of trend-setting market innovations from izmo, starting with izmoflix ver.1 that introduced the interactive automotive marketing experience to U S consumers as early as 2003. To this day, izmo remains invested in its global market leadership in the automotive retail space.

Meanwhile, izmo dealer websites continue to be the first choice of the world's leading automotive retailers and portals from the Americas to Europe to Asia.

## The India Advantage

The India advantage of high-end human resources right from IP to support services at a relatively modest cost is a strategic advantage that greatly supports the organic growth of your company.

Unlike other players in the market, the India component is not merely another cost-cutting measure for izmo – it is integral to the performance culture of the company, built into its corporate DNA.



## Board's Report

# Opportunities and Threats

On the one hand, izmo is a blue ocean company which consistently creates value out of breakthrough innovation and not price-competition. On the other, your company owns deep domain expertise in all its areas of operations.

Between these two, the entry barriers to any new competition is quite formidable, and potential competitors in areas like CGI, VR, Imagery, Parts and Accessories Visualizer, etc. are unlikely to be price-competitive for a long period of time.

Presently your company is exploring the newest opportunities in its operating

space, namely data analytics and CGI/VR, which is innovation driven. Previous experience tells us that companies who enter the market arena at the commencement of the bell curve are the ones likely to reap the richest dividends.

The only possible threat to the company is new ground-breaking innovation, which is extremely unlikely, given that your company constantly explores new opportunities.



## Outlook

Having reported one of the best years in its entire history in terms of business, revenue, and customers, we share a very positive outlook for the years ahead.

We are now looking forward to the re-launch of some major izmo products in the U.S market.

## Risks and Concerns

As described earlier, we do not foresee any major risks in our operating space.

However, ours is a global company operating in 3 continents, and major currency fluctuations may impact our bottom-line, either positively or negatively.



## Board's Report

# Internal Control System

izmo has in place an adequate Internal Control System commensurate to its size and nature of operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safe guarding the assets from unauthorized use or loss, extending transactions with proper operation and ensuring compliance of corporate policies.

Internal Control is supplemented by regular management review, documented policies and procedures, as also internal audits. The Company has an Audit Committee, details of which have been provided in the Corporate Governance report. The Audit Committee reviews Audit Reports submitted by Internal Auditors. Suggestions for improvement are considered and the Audit Committee follows up implementation of corrective actions.

The Committee also meets the Company's statutory auditors to ascertain their views on the adequacy of internal control systems in

the Company and keeps the Board informed of its major observations from time to time.

# Human Resources

izmo is having 263 employees as on March 31, 2019. Employee relations remained satisfactory during the period under review.

The Company would like to record its appreciation to its employees and their whole hearted support and co-operation during these difficult periods.

# Financial Performance with respect to Operational Performance

Financial performance with respect to operational performance is discussed in detail in the beginning pages of the Board's Report of this Annual Report.



## Annexure - to the Board's Report (Contd.)

## Key Financial Ratios

As per Listing Regulations, the Company is required to give details of significant changes (Change of 25% or more as compared to the immediately previous Financial Year) in key sector - sepecific financial ratio.

S.No.	Particulars	FY 2018-19	FY 2017-18	% Change	Detailed Explanation for change (Where the change is 25% or more as compared to the immediately previous financial year)
1	Revenue (Rs. In Lakhs)	2,582.21	2,260.00	14%	Not applicable
2	Net Profit	16.27	49.51	-67%	The reduction in net profit is mainly due to higher depreciation charged during FY 2018-19.
3	EBITDA	478.48	387.98	23%	Not applicable
4	Return on Net worth	0.10%	0.29%	-67%	The reduction is mainly due to higher depreciation charged during FY 2018-19.
5	EPS (Basic)	0.13	0.39	-67%	The reduction is mainly due to higher depreciation charged during FY 2018-19.
6	EPS (Diluted)	0.13	0.39	-67%	The reduction is mainly due to higher depreciation charged during FY 2018-19.
7	Debtor Turnover Ratio	1.05	1.04	1%	Not applicable
8	Interest Coverage Ratio	3.52	3.27	8%	Not applicable
9	Current Ratio	1.32	1.40	-6%	Not applicable
10	Debt Equity Ratio	0.20	0.20	-2%	Not applicable
11	Operating Profit Margin (%)	18.53%	17.17%	8%	Not applicable
12	Net Profit Margin (%)	0.63%	2.19%	-71%	The reduction is mainly due to higher depreciation charged during FY 2018-19.

## Board's Report

### TRANSFER TO RESERVE

Your Directors does not propose to carry any amount to reserves, during the financial year ended 31<sup>st</sup> March, 2019.

### INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to Section 124 of Companies Act, 2013 and IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred the 64,860 number of shares to IEPF, upon completion of period of Seven years.

### EXTRACT OF ANNUAL RETURN

Details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure A**.

### NUMBER OF MEETINGS OF THE BOARD

During the year under review 4 (Four) meetings of the Board of Directors were held, details of which are set out in the Corporate Governance Report which forms part of this Report.

### BOARD COMMITTEES

Detailed composition of the Board committees namely Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, number of meetings held during the year under review and other related details are set out in the Corporate Governance Report which forms part of this Report.

There have been no instances where the Board has not accepted any recommendation of any of the Committees of the Board.

### DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT, 2013

The Directors confirm that –

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2019, the applicable accounting standards had been followed and there were no material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as at 31<sup>st</sup> March 2019 and of the profit and loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### STATEMENT ON DECLARATION OF INDEPENDENT DIRECTORS

The Board of Directors of the Company comprises of optimum number of Independent Directors. Based on the confirmation / disclosures received from the Directors, the following Non-Executive Directors are Independent in terms of the Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 as on 31<sup>st</sup> March, 2019:

1. Mr. Perur Phaneendra
2. Mr. Ramanujam Krishnamurthy
3. Mr. Vijay Gupta

The Company has received Certificate of Independence from the Independent Directors inter- alia, pursuant to Section 149 of the Companies Act, 2013, and under Listing Regulations confirming and certifying that they have complied with all the requirements of being an Independent Director of the Company, as on the date. The said Certificate(s) were taken on record by the Board, at its Meeting held on May 30, 2019.



## Board's Report

### NOMINATION & REMUNERATION POLICY

The Company has nomination and remuneration policy (Policy) on nomination and remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel (SMP) and other employees, in terms of provisions of the Companies Act, 2013 and Listing Regulations, as amended from time to time.

The salient features of the Policy are:

1. appointment and remuneration of Directors, KMP and SMP.
2. determination of qualifications, positive attributes and independence for appointment of a Director (Executive/Non-Executive/Independent) and recommendation to the Board matters relating to the remuneration for the Directors, KMP and SMP.
3. formulating the criteria for performance evaluation of all Directors.
4. Board Diversity

Further, during the year under review, Company amended the Policy pursuant to the amended listing Regulations. The said Policy is available on the website of Company at

[https://s3-ap-southeast-1.amazonaws.com/assetsin.izmocars.com/userfiles/103042/2018-19%20share/izmo\\_Nomination\\_and Remuneration\\_Policy.pdf](https://s3-ap-southeast-1.amazonaws.com/assetsin.izmocars.com/userfiles/103042/2018-19%20share/izmo_Nomination_and_Remuneration_Policy.pdf)

### EXPLANATION AND COMMENTS BY THE BOARD ON EVERY QUALIFICATION/RESERVATION/ADVERSE REMARK/DISCLAIMER BY THE AUDITORS IN THEIR REPORTS

The statutory Auditor's Report does not contain any qualification, disclaimer, reservation or adverse remark.

Further, the Secretarial Audit Report does not contain any qualification, disclaimer, reservation or adverse remark.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of the loan granted are mentioned in the Note No.36 of Notes to the Standalone financial statement pursuant to Section 186 (4) read with Companies (Meetings of Board and its Powers) Rules, 2014. The details of guarantee given and security provided by the Company are stated in Note. No.43 of Notes to the Standalone financial statement. Full particulars of investments made are stated in Note No.7 to the standalone financial statement.

### RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

All Related Party Transactions are placed before the Audit Committee. Requisite approval of the Audit Committee is obtained on periodic basis for the transactions which are repetitive in nature or otherwise. The actual transactions entered into pursuant to the approval so granted are placed at quarterly meetings of the Audit Committee.

Your directors draw attention of the members to Note. No.36 of notes to the financial statement which sets out related party disclosures.

The Company has formulated a Policy on related party transactions. This policy approved by the Board is uploaded on the Company's website on the below link:

<http://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm>

### MATERIAL TRANSACTIONS WITH RELATED PARTIES

The Company has not entered any material transaction with related parties during the year under review which requires reporting in Form AOC 2 in terms of Companies Act, 2013 read with Companies (Accounts) Rules, 2014. However, the requisite disclosures in this regard is given in this report as **Annexure B**.

### MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no Material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year on 31st March, 2019 to which the financial statements relate and the date of this report.

## Board's Report

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT (R&D) & FOREIGN EXCHANGE EARNINGS & OUTGO

#### A. CONSERVATION OF ENERGY

The operations of the Company are not energy intensive. Adequate measures have been taken to conserve and optimize the use of energy through improved operations methods.

The provisions relating to disclosure of details regarding energy consumption, both total and per unit of production are not applicable as the Company is engaged in the services sector and provides IT and IT related services.

#### B. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT (R&D)

The Company uses the latest technology available in modern technology applications. Indigenous technology available is continuously being upgraded to improve overall performance. The Company has a dedicated team of technically competent personnel who relentlessly work on technology up gradation and development related fields.

Research and Development continues to be given very high priority in Software Technology in the area of telecommunications, and hardware technology in the area of embedded systems.

#### C. FOREIGN EXCHANGE EARNINGS & OUTGO

During the year, the details of Foreign Exchange transactions were:

Earnings – Rs 2,420.48 Lakhs (PY Rs 2,109.17 Lakhs)

Outgo – Rs 105.01 Lakhs (PY Rs 96.37 Lakhs)

### RISK MANAGEMENT

A detailed report on Risk Management is included in Management Discussion and Analysis which forms part of this Report.

### CORPORATE SOCIAL RESPONSIBILITY

It is not mandatory for your company to constitute a CSR Committee as it does not fall under the criteria mentioned in Section 135 of Companies Act 2013.

### FORMAL ANNUAL EVALUATION OF BOARD AND ITS COMMITTEES

Pursuant to the Companies Act 2013 and Regulation 17 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 evaluation of performance is carried out by the Company. Evaluating Board's effectiveness by assessing performance of the Board as a whole, performance of individual director and committees of the Board namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee

### CHANGE IN THE NATURE OF BUSINESS

During the year under review, there is no change in the nature of the business.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on Board Meeting dated 07<sup>th</sup> August, 2019 under review, it has been observed that there is following changes have occurred in the Board of Directors as well as Key Managerial Personnel.

#### A. Directors

##### Appointment:

The Nomination and Remuneration Committee, based on a propos business expertise, qualifications and the performance evaluation of Mr. Ramanujam Krishnamurthy, Mr. Perur Phaneendra and Mr. Vijay Gupta, recommended to the Board, their reappointment for the second term of 5 (five) consecutive years effective from September 30, 2019 up to September 30, 2024. The Board at its meeting held on May 30, 2019 has recommended the same for approval of the Members.

#### B. Key Managerial Personnel

##### i) Appointment:

The Nomination and Remuneration Committee recommended to the Board for reappointment of Mr. Sanjay Soni as Managing Director for a term of 3 years with effect from 1st April, 2019 to 31st March, 2022. The Board at its meeting held on 06th February, 2019 has recommended the same for approval of the Members.

## Board's Report

The Nomination and Remuneration Committee recommended to the Board for reappointment of Mrs. Shashi Soni as Chairperson and Whole time Director for 3 years with effect from 1st October, 2019 to 30th September 2022. The Board at its meeting held on 06th May, 2019 has recommended the same for approval of the Members.

### ii) Resignation

Mr. Suraj Kumar Sahu tendered his resignation & which is accepted by Board as on 07<sup>th</sup> August, 2019. His tenure will end w.e.f. 12<sup>th</sup> September, 2019

### DEPOSITS

The Company has not accepted Deposits under Chapter V of the Companies Act, 2013.

### PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS AND DISCLOSURES ON THE REMUNERATION OF THE DIRECTORS

All pecuniary relationship or transactions of the non-executive Directors vis-à-vis the Company, containing requisite information for such payments and disclosures on the remuneration of the Directors along with their shareholding are disclosed in Corporate Governance Report and Form MGT 9 which forms part of this Report.

### SECRETARIAL STANDARDS

The Company complies with all the applicable Secretarial Standards.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

### INTERNAL FINANCIAL CONTROL

Details in respect of adequacy of internal financial controls with reference to the Financial Statements are stated in Management Discussion and Analysis which forms part of this Report.

### SUBSIDIARY COMPANIES

Your Company along with subsidiaries provides software solutions and services globally. A Report on the performance and financial position of each of the subsidiaries pursuant to Rule 8 (1) and Form AOC 1 read with Rule 5 of Companies (Accounts) Rules, 2014 is annexed as **Annexure C** and forms a part of this Report. The Company has framed policy for determining material subsidiaries as per requirement of explanation to Regulation 16 (1) (c) in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 has uploaded the same on company's website: <http://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm>

Stand-alone Financial Statements and Consolidated Financial Statements of your Company along with its subsidiaries, prepared in accordance with the relevant Accounting Standards issued by The Institute of Chartered Accountants of India, forms a part of this Annual Report.

### PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Particulars of employees pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed with this report as **Annexure D** the statement showing the names of the top ten employees in terms of remuneration drawn for the year ended March 31, 2019 pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as annexed with this report as **Annexure E**.

### VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a vigil mechanism to report genuine concerns. The Policy provides for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Governance and Ethics. The policy is uploaded on the website of the Company: <http://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm>

### FAMILIARIZATION PROGRAMMES FOR INDEPENDENT DIRECTORS

Pursuant to Regulation 25(7) of Listing Regulations, the Company has conducted Familiarisation programmes and/or sessions for the Independent Directors and Board as a whole during the FY 2018-19. Details of the same are available on the website of the Company at

## Board's Report

[https://s3-ap-southeast-1.amazonaws.com/assetsin.izmocars.com/userfiles/103042/1-6-2018/izmoltd\\_FAMILIARISATION%20PROGRAMME%20FOR%20INDEPENDENT%20DIRECTORS%20\\_%202018\\_19.pdf](https://s3-ap-southeast-1.amazonaws.com/assetsin.izmocars.com/userfiles/103042/1-6-2018/izmoltd_FAMILIARISATION%20PROGRAMME%20FOR%20INDEPENDENT%20DIRECTORS%20_%202018_19.pdf)

### AUDITORS

#### Statutory Auditor:

Pursuant to the provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, Mr. Guru Prakash V, Chartered Accountant (Membership Number 228938) has been appointed as the Statutory Auditors of the Company to conduct the audit of the financial statement of the Company from FY 2017-18 till FY 2021-22.

Pursuant to the same, Mr. Guru Prakash V, Chartered Accountant (Membership Number 228938) continues to hold the office of Statutory Auditors for the FY 2019-20. The Statutory Auditors' Report for the FY 2018-19 does not contain any qualifications, reservations, adverse remarks or disclaimer and no frauds were reported by the Auditors to the Company under sub-section (12) of Section 143 of the Act.

#### Secretarial Auditor:

As per the Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board had appointed M/s V. Sreedharan & Associates, Company Secretaries, Bengaluru to conduct the Secretarial Audit of the company for F.Y. 2018-19. The report of the Secretarial Audit in Form MR-3 is annexed herewith as Annexure F & SEBI Compliance Report Izmo Limited 2018-19 is annexed herewith as Annexure G.

#### Internal Auditors

The Board had appointed Mr. M. Venkatesha, Chartered Accountant having Membership No.: 232131 as Internal Auditors of the Company pursuant to Section 138 of the Companies Act, 2013 for the F.Y. 2019-20 and He has completed the internal audit as per scope given by the Audit Committee for the financial year 2018-19.

### CORPORATE GOVERNANCE

The Company continues to benchmark itself with the best-of-the-class practices as far as corporate governance standards are concerned. The Company has complied with the requirements provided in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The compliance report on the various requirements under the said clause along with the Statutory Auditors' certification thereof is provided in the corporate governance section of this report at [Annexure H](#).

### EMPLOYEES STOCK OPTION PLAN

Currently, the Company has two Employees Stock Option Schemes namely 'Employee Stock Option Plan 2013' and 'Employee Stock Option Plan 2016'.

#### 1. Employee Stock Option Plan 2016

With regards to Employee Stock Option Plan 2016, we have obtained only the approval from the shareholders of the company by passing the special resolution on the AGM held on 10th September, 2016 and further course of action and approval from the various regulatory will be obtained with due course of time with the direction/approval from the Board of director/committee. Hence, further disclosure with regards Section 62 read with Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014 & other disclosure with regard to clause 14 of SEBI (Share Based Employee Benefits) Regulation, 2014 does not arise as on this report date.

## Board's Report

### 2. Employee Stock Option Plan 2013

Disclosures for the financial year ended 31st March, 2019 regarding Employee Stock Option Plan 2013 in terms of Companies (Share Capital and Debenture) Rules, 2014 are as below:

Particulars	Employee Stock Option Plan 2013		
	(F.Y 2018-19)	(F.Y 2017 -2018)	(F.Y 2016 -2017)
Option granted	NIL	6,86,000	NIL
Option vested	320,600	86,100	86,100
Option exercised	245,500	59,400	63,600
The total no. of shares arising as a result of exercise of option	245,500	59,400	63,600
Options lapsed/cancelled during the year	75,100	26,700	22,500
The exercise price	Rs. 10 /-	Rs. 10 /-	Rs. 10 /-
Variation of terms of options	No variation in the terms of options during the year under review.	No variation in the terms of options during the year under review.	No variation in the terms of options during the year under review.
Money realized by exercise of options	Rs. 24,55,000	Rs.5,94,000	Rs.6,36,000
Total no. of options in force	4,80,200	8,00,800	2,00,900
Employee wise details of options granted to :			
Key Managerial Personnel (KMP)	No options were granted to KMPs during the year under review.	4000 options were granted to Company Secretary & No other options were granted to any other KMPs during the year under review.	No options were granted to KMPs during the year under review.
Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	NIL	NIL	NIL
Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	NIL	NIL	NIL

Disclosure on ESOPs details of options granted, shares allotted on exercise, etc. as required under Employee Benefits Regulations read with SEBI circular no. CIR/CFD/POLICYCELL/2/2015 dated June 16, 2015 are available on the Company's website: <http://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm>

## Board's Report

### **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy, **inter-alia**, in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Complaints Committee has been set up to redress complaints. The following is the summary of complaints received and disposed off during the year under review:

Number of complaints received and disposed off - Nil

### **ACKNOWLEDGEMENTS**

The Board places on record its appreciation of the contribution of Associates at all levels, customers, business and technology partners, vendors, investors, Government Authorities and all other stakeholders towards the performance of the Company during the year under review

Place: Bangalore  
Date: 07<sup>th</sup> August 2019

By order of the Board  
for IZMO Limited

Sd/-  
Sanjay Soni  
Managing Director  
DIN: 00609097  
Address: Flat No. 9,  
Prestige Casablanca Apartments, 12/1,  
Airport Road, Bangalore-560017

Sd/-  
Shashi Soni  
Chairperson and Wholetime Director  
DIN: 00609217  
Address: Flat No. 9, Prestige Casablanca  
Apartments, 12/1, Airport Road,  
Bangalore-560017

**ANNEXURE - A****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration ) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

i	CIN	L72200KA1995PLC018734
ii	Registration Date	08.09.1995
iii	Name of the Company	IZMO Limited
iv	Category/Sub-category of the Company	Company Limited by Shares
v	“Address of the Registered office & contact details”	“#177/2C, Bilekahalli Industrial Area, Bannerghatta Road, Bangalore, Karnataka. 560 076 Tel: 080 67125400 Fax:080 67125408”
vi	Whether listed company	Yes, Listed in BSE & NSE
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	“Cameo Corporate Services Limited, “Subramanian Building”, V Floor 1, Club House Road, Chennai – 600 002, Tel: 044-28460390-94 Fax: 044-28460129 Email: cameogm@satyam.net.in Contact person: Mr. Narashiman“

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	“NIC Code of the Product /service”	“% to total turnover of the company”
1	Software Development for Automotive Industry	620	94%
2	Enterprise Connectivity Solution & Others	620	6%

**III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

SI No	Name & Address of the Company	CIN/GLN	“HOLDING/ SUBSIDIARY/ ASSOCIATE”	“% OF SHARES HELD”	“APPLICABLE SECTION”
1	Izmo Europe BVBA,Belgium	0899.075.776	Subsidiary	100%	2 (87)(ii)
2	Midrange Software Pte Ltd, Singapore	199206197N	Subsidiary	100%	2 (87)(ii)
3	Izmo Inc.,	140442315	Subsidiary	100%	2 (87)(ii)
4	Izmo France SARL( Subsidiary of Midrange Software Pte Ltd)	80980883500015	Subsidiary	100%	2 (87)(ii)
4	Frog Data (Subsidiary of Izmo Inc, Group USA)		Subsidiary	100%	2 (87)(ii)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## (i) Category-wise Share Holding

Name of the Company	:	IZMO LIMITED
Face Value	:	10 /-
Paidup Shares as on 01-Apr-2018	:	12821673
Paidup Shares as on 30-Mar-2019	:	13067173
For the Period From	:	01-Apr-2018 To : 30-Mar-2019

"Category code"	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				"% Change during the year"
		Demat	Physical	Total	"% of Total Shares"	Demat	Physical	Total	"% of Total Shares"	
<b>A.</b>	<b>"SHAREHOLDING OF PROMOTER AND PROMOTER GROUP"</b>									
<b>1.</b>	<b>INDIAN</b>									
a.	"INDIVIDUALS/HINDU UNDIVIDED FAMILY"	3864021	0	3864021	30.1366	3825624	0	3825624	29.2766	-0.8600
b.	"CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)"	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	"FINANCIAL INSTITUTIONS/ BANKS"	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	<b>SUB - TOTAL (A)(1)</b>	<b>3864021</b>	<b>0</b>	<b>3864021</b>	<b>30.1366</b>	<b>3825624</b>	<b>0</b>	<b>3825624</b>	<b>29.2766</b>	<b>-0.8600</b>
<b>2.</b>	<b>FOREIGN</b>									
a.	"INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)"	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	<b>SUB - TOTAL (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>"TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)"</b>	<b>3864021</b>	<b>0</b>	<b>3864021</b>	<b>30.1366</b>	<b>3825624</b>	<b>0</b>	<b>3825624</b>	<b>29.2766</b>	<b>-0.8600</b>
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>									
<b>1.</b>	<b>INSTITUTIONS</b>									
a.	MUTUAL FUNDS/UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	"FINANCIAL INSTITUTIONS/ BANKS"	39184	0	39184	0.3056	21500	0	21500	0.1645	-0.1410
c.	"CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)"	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	"FOREIGN INSTITUTIONAL INVESTORS"	0	0	0	0.0000	0	0	0	0.0000	0.0000
g.	"FOREIGN VENTURE CAPITAL INVESTORS"	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	ANY OTHER									
	"Foreign Portfolio Investor (Corporate) Category II"	23595	0	23595	0.1840	0	0	0	0.0000	-0.1840
		<b>23595</b>	<b>0</b>	<b>23595</b>	<b>0.1840</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>-0.1840</b>



	<b>SUB - TOTAL (B)(1)</b>	<b>62779</b>	<b>0</b>	<b>62779</b>	<b>0.4896</b>	<b>21500</b>	<b>0</b>	<b>21500</b>	<b>0.1645</b>	<b>-0.3250</b>
<b>2.</b>	<b>NON-INSTITUTIONS</b>									
a.	BODIES CORPORATE	1928374	0	1928374	15.0399	1222590	0	1222590	9.3561	-5.6837
b.	INDIVIDUALS -									
	“I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH”	3899598	94523	3994121	31.1513	3808580	92073	3900653	29.8507	-1.3005
	“II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH”	1936712	151425	2088137	16.2859	2609352	151425	2760777	21.1275	4.8415
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER									
	CLEARING MEMBERS	98861	0	98861	0.7710	15094	0	15094	0.1155	-0.6555
	DIRECTORS AND THEIR RELATIVES	232524	0	232524	1.8135	232524	0	232524	1.7794	-0.0340
	ESOP / ESOS / ESPS	25602	0	25602	0.1996	76077	0	76077	0.5821	0.3825
	HINDU UNDIVIDED FAMILIES	279997	0	279997	2.1837	356622	0	356622	2.7291	0.5453
	NON RESIDENT INDIANS	247257	0	247257	1.9284	485712	0	485712	3.7170	1.7886
	TRUSTS	0	0	0	0.0000	500	0	500	0.0038	0.0038
	“Retirement Benefit Scheme”	<b>884241</b>	<b>0</b>	<b>884241</b>	<b>6.8964</b>	<b>1166529</b>	<b>0</b>	<b>1166529</b>	<b>8.9271</b>	<b>2.0307</b>
	<b>SUB - TOTAL (B)(2)</b>	<b>8648925</b>	<b>245948</b>	<b>8894873</b>	<b>69.3737</b>	<b>8807051</b>	<b>243498</b>	<b>9050549</b>	<b>69.2617</b>	<b>-0.1120</b>
	<b>“TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)”</b>	<b>8711704</b>	<b>245948</b>	<b>8957652</b>	<b>69.8633</b>	<b>8828551</b>	<b>243498</b>	<b>9072049</b>	<b>69.4262</b>	<b>-0.4371</b>
	<b>TOTAL (A)+(B)</b>	<b>12575725</b>	<b>245948</b>	<b>12821673</b>	<b>100.0000</b>	<b>12654175</b>	<b>243498</b>	<b>12897673</b>	<b>98.7028</b>	<b>-1.2971</b>
<b>C.</b>	<b>“SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED “</b>									
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>TOTAL CUSTODIAN (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>12575725</b>	<b>245948</b>	<b>12821673</b>	<b>100.0000</b>	<b>12654175</b>	<b>243498</b>	<b>12897673</b>	<b>98.7028</b>	<b>-1.2971</b>

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

ii) Shareholding of promoters

Name of the Company : IZMO LIMITED

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No of shares	“% of total shares of the company”	“% of shares pledged / encumbered to total shares”	No of shares	“% of total shares of the company”	“% of shares pledged / encumbered to total shares”	“% change in shareholding during the year”
1	SANJAY SONI	2803010	21.86	0	2764613	21.16	0	0.70
2	SHASHI SONI	687787	5.36	0	687787	5.26	0	0.10
3	KIRAN SONI	373224	2.91	0	373224	2.86	0	0.05

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Name of the Company : IZMO LIMITED

Sl No	Name of the Share holder	"Shareholding at the beginning of the year"		"Cumulative Shareholding during the year"	
		No of shares	"% of total shares of the company"	No of shares	"% of total shares of the company"
<b>1</b>	<b>SANJAY SONI</b>				
	At the beginning of the year 01-Apr-2018	2803010	21.86	2803010	21.86
	Purchase 29-Jun-2018	1000	0.01	2804010	21.87
	Sale 29-Jun-2018	-46397	-0.36	2757613	21.51
	Purchase 15-Feb-2019	4000	0.03	2761613	21.13
	Purchase 29-Mar-2019	3000	0.02	2764613	21.16
	<b>At the end of the Year 31-Mar-2019</b>			2764613	21.16
<b>2</b>	<b>SHASHI SONI</b>				
	At the beginning of the year 01-Apr-2018	687787	5.36	687787	5.36
	<b>At the end of the Year 31-Mar-2019</b>			687787	5.26
<b>3</b>	<b>KIRAN SONI</b>				
	At the beginning of the year 01-Apr-2018	373224	2.91	373224	2.91
	<b>At the end of the Year 31-Mar-2019</b>			373224	2.86

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)**

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Name of the Company : IZMO LIMITED

Sl No	Name of the Share holder	"Shareholding at the beginning of the year"		"Cumulative Shareholding during the year"	
		No of shares	"% of total shares of the company"	No of shares	"% of total shares of the company"
<b>1</b>	<b>"EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED"</b>				
	At the beginning of the year 01-Apr-2018	600000	4.6795	600000	4.6795
	Sale 10-Aug-2018	-193008	1.4770	406992	3.1146
	Sale 17-Aug-2018	-82903	0.6344	324089	2.4801
	Sale 24-Aug-2018	-24089	0.1843	300000	2.2958
	At the end of the Year 30-Mar-2019	300000	2.2958	300000	2.2958
<b>2</b>	<b>KANCHANA RAO</b>				
	At the beginning of the year 01-Apr-2018	472403	3.6844	472403	3.6844
	At the end of the Year 30-Mar-2019	472403	3.6151	472403	3.6151
<b>3</b>	<b>URJITA J MASTER</b>				
	At the beginning of the year 01-Apr-2018	384000	2.9949	384000	2.9949
	Sale 06-Apr-2018	-10100	0.0772	373900	2.8613
	Purchase 13-Apr-2018	16100	0.1232	390000	2.9845
	Purchase 27-Apr-2018	10000	0.0765	400000	3.0611
	Sale 29-Mar-2019	-27500	0.2104	372500	2.8506
	At the end of the Year 30-Mar-2019	372500	2.8506	372500	2.8506

SI No	Name of the Share holder	“Shareholding at the beginning of the year”		“Cumulative Shareholding during the year”	
		No of shares	“% of total shares of the company”	No of shares	“% of total shares of the company”
4	“AJAY BHARDWAJ JT1 : ARTI BHARDWAJ”				
	At the beginning of the year 01-Apr-2018	180000	1.4038	180000	1.4038
	Sale 13-Apr-2018	-5000	0.0382	175000	1.3392
	At the end of the Year 30-Mar-2019	175000	1.3392	175000	1.3392
5	KAVITA SONI				
	At the beginning of the year 01-Apr-2018	151425	1.1810	151425	1.1810
	At the end of the Year 30-Mar-2019	151425	1.1588	151425	1.1588
6	DEEP OXYGEN PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2018	149500	1.1659	149500	1.1659
	Purchase 08-Jun-2018	40200	0.3076	189700	1.4517
	Purchase 22-Jun-2018	2000	0.0153	191700	1.4670
	Purchase 29-Jun-2018	52800	0.4040	244500	1.8711
	Sale 03-Aug-2018	-244500	1.8711	0	0.0000
	At the end of the Year 30-Mar-2019	0	0.0000	0	0.0000
	HAVING SAME PAN				
6	DEEP HERITAGE PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 03-Aug-2018	238775	1.8272	238775	1.8272
	Sale 31-Aug-2018	-8000	0.0612	230775	1.7660
	Sale 07-Sep-2018	-2000	0.0153	228775	1.7507
	Sale 28-Sep-2018	-9314	0.0712	219461	1.6794
	Sale 05-Oct-2018	-1193	0.0091	218268	1.6703
	Sale 19-Oct-2018	-3000	0.0229	215268	1.6473
	Sale 26-Oct-2018	-1265	0.0096	214003	1.6377
	Sale 04-Jan-2019	-20000	0.1530	194003	1.4846
	Sale 11-Jan-2019	-10000	0.0765	184003	1.4081
	Sale 08-Feb-2019	-20000	0.1530	164003	1.2550
	Sale 08-Mar-2019	-4003	0.0306	160000	1.2244
	Purchase 15-Mar-2019	27881	0.2133	187881	1.4378
	At the end of the Year 30-Mar-2019	187881	1.4378	187881	1.4378
7	PACE STOCK BROKING SERVICES PVT LTD				
	At the beginning of the year 01-Apr-2018	86957	0.6782	86957	0.6782
	Sale 06-Apr-2018	-8903	0.0681	78054	0.5973
	Purchase 13-Apr-2018	647	0.0049	78701	0.6022
	Sale 20-Apr-2018	-34088	0.2608	44613	0.3414
	Sale 27-Apr-2018	-27446	0.2100	17167	0.1313
	Sale 04-May-2018	-3960	0.0303	13207	0.1010
	Sale 25-May-2018	-3700	0.0283	9507	0.0727
	Sale 08-Jun-2018	-7007	0.0536	2500	0.0191
	Purchase 15-Jun-2018	2000	0.0153	4500	0.0344
	Purchase 29-Jun-2018	6580	0.0503	11080	0.0847

SI No	Name of the Share holder	“Shareholding at the beginning of the year”		“Cumulative Shareholding during the year”	
		No of shares	“% of total shares of the company”	No of shares	“% of total shares of the company”
	Purchase 13-Jul-2018	6100	0.0466	17180	0.1314
	Sale 20-Jul-2018	-300	0.0022	16880	0.1291
	Sale 27-Jul-2018	-6000	0.0459	10880	0.0832
	Sale 03-Aug-2018	-9630	0.0736	1250	0.0095
	Purchase 10-Aug-2018	100	0.0007	1350	0.0103
	Sale 24-Aug-2018	-100	0.0007	1250	0.0095
	Purchase 07-Sep-2018	104	0.0007	1354	0.0103
	Sale 17-Sep-2018	-104	0.0007	1250	0.0095
	Purchase 05-Oct-2018	10	0.0000	1260	0.0096
	Purchase 12-Oct-2018	5	0.0000	1265	0.0096
	Purchase 02-Nov-2018	985	0.0075	2250	0.0172
	Sale 16-Nov-2018	-223	0.0017	2027	0.0155
	Purchase 23-Nov-2018	4950	0.0378	6977	0.0533
	Sale 14-Dec-2018	-77	0.0005	6900	0.0528
	Sale 21-Dec-2018	-5650	0.0432	1250	0.0095
	Purchase 08-Feb-2019	10	0.0000	1260	0.0096
	Purchase 15-Mar-2019	10513	0.0804	11773	0.0900
	Sale 22-Mar-2019	-132	0.0010	11641	0.0890
	Sale 29-Mar-2019	-10391	0.0795	1250	0.0095
	At the end of the Year 30-Mar-2019	1250	0.0095	1250	0.0095
	HAVING SAME PAN				
7	PACE STOCK BROKING SERVICES PVT LTD				
	At the beginning of the year 01-Apr-2018	59203	0.4617	59203	0.4617
	Sale 06-Apr-2018	-23385	0.1789	35818	0.2741
	Purchase 13-Apr-2018	7884	0.0603	43702	0.3344
	Sale 20-Apr-2018	-10196	0.0780	33506	0.2564
	Sale 27-Apr-2018	-6948	0.0531	26558	0.2032
	Sale 18-May-2018	-1328	0.0101	25230	0.1930
	Purchase 25-May-2018	17651	0.1350	42881	0.3281
	Sale 01-Jun-2018	-8478	0.0648	34403	0.2632
	Sale 08-Jun-2018	-6673	0.0510	27730	0.2122
	Sale 15-Jun-2018	-229	0.0017	27501	0.2104
	Purchase 29-Jun-2018	13560	0.1037	41061	0.3142
	Purchase 06-Jul-2018	2184	0.0167	43245	0.3309
	Purchase 13-Jul-2018	1061	0.0081	44306	0.3390
	Sale 20-Jul-2018	-11924	0.0912	32382	0.2478
	Purchase 27-Jul-2018	900	0.0068	33282	0.2546
	Sale 03-Aug-2018	-10781	0.0825	22501	0.1721
	Purchase 10-Aug-2018	2000	0.0153	24501	0.1875
	Purchase 17-Aug-2018	9322	0.0713	33823	0.2588
	Sale 24-Aug-2018	-4312	0.0329	29511	0.2258
	Sale 31-Aug-2018	-5400	0.0413	24111	0.1845

SI No	Name of the Share holder	“Shareholding at the beginning of the year”		“Cumulative Shareholding during the year”	
		No of shares	“% of total shares of the company”	No of shares	“% of total shares of the company”
	Purchase 07-Sep-2018	7212	0.0551	31323	0.2397
	Sale 14-Sep-2018	-1454	0.0111	29869	0.2285
	Sale 17-Sep-2018	-2499	0.0191	27370	0.2094
	Purchase 21-Sep-2018	1891	0.0144	29261	0.2239
	Sale 28-Sep-2018	-10875	0.0832	18386	0.1407
	Purchase 05-Oct-2018	1199	0.0091	19585	0.1498
	Purchase 12-Oct-2018	1000	0.0076	20585	0.1575
	Purchase 19-Oct-2018	6814	0.0521	27399	0.2096
	Sale 02-Nov-2018	-2000	0.0153	25399	0.1943
	Purchase 09-Nov-2018	200	0.0015	25599	0.1959
	Purchase 16-Nov-2018	450	0.0034	26049	0.1993
	Sale 23-Nov-2018	-1000	0.0076	25049	0.1916
	Purchase 30-Nov-2018	750	0.0057	25799	0.1974
	Purchase 07-Dec-2018	4050	0.0309	29849	0.2284
	Sale 14-Dec-2018	-1250	0.0095	28599	0.2188
	Sale 21-Dec-2018	-2999	0.0229	25600	0.1959
	Purchase 28-Dec-2018	2400	0.0183	28000	0.2142
	Purchase 31-Dec-2018	1745	0.0133	29745	0.2276
	Purchase 04-Jan-2019	1798	0.0137	31543	0.2413
	Sale 11-Jan-2019	-6915	0.0529	24628	0.1884
	Purchase 18-Jan-2019	1070	0.0081	25698	0.1966
	Purchase 25-Jan-2019	1924	0.0147	27622	0.2113
	Purchase 08-Feb-2019	238	0.0018	27860	0.2132
	Purchase 15-Feb-2019	911	0.0069	28771	0.2201
	Sale 22-Feb-2019	-351	0.0026	28420	0.2174
	Purchase 01-Mar-2019	4460	0.0341	32880	0.2516
	Sale 08-Mar-2019	-1976	0.0151	30904	0.2365
	Purchase 15-Mar-2019	6269	0.0479	37173	0.2844
	Purchase 22-Mar-2019	5608	0.0429	42781	0.3273
	Purchase 29-Mar-2019	15337	0.1173	58118	0.4447
	At the end of the Year 30-Mar-2019	58118	0.4447	58118	0.4447
8	MANJUNATH S				
	At the beginning of the year 01-Apr-2018	76200	0.5943	76200	0.5943
	At the end of the Year 30-Mar-2019	76200	0.5831	76200	0.5831
	HAVING SAME PAN				
8	MANJUNATH S				
	At the beginning of the year 01-Apr-2018	23800	0.1856	23800	0.1856
	At the end of the Year 30-Mar-2019	23800	0.1821	23800	0.1821
	HAVING SAME PAN				
8	MANJUNATH S .				
	At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	Purchase 31-Aug-2018	13532	0.1035	13532	0.1035
	Purchase 07-Sep-2018	41983	0.3212	55515	0.4248

SI No	Name of the Share holder	“Shareholding at the beginning of the year”		“Cumulative Shareholding during the year”	
		No of shares	“% of total shares of the company”	No of shares	“% of total shares of the company”
	Purchase 21-Sep-2018	19	0.0001	55534	0.4249
	Purchase 28-Sep-2018	21	0.0001	55555	0.4251
	At the end of the Year 30-Mar-2019	55555	0.4251	55555	0.4251
9	BONANZA PORTFOLIO LTD				
	At the beginning of the year 01-Apr-2018	74250	0.5790	74250	0.5790
	Sale 06-Apr-2018	-9738	0.0745	64512	0.4936
	Sale 13-Apr-2018	-45987	0.3519	18525	0.1417
	Sale 20-Apr-2018	-4733	0.0362	13792	0.1055
	Purchase 27-Apr-2018	11221	0.0858	25013	0.1914
	Purchase 04-May-2018	6553	0.0501	31566	0.2415
	Sale 11-May-2018	-18329	0.1402	13237	0.1012
	Sale 18-May-2018	-3286	0.0251	9951	0.0761
	Sale 25-May-2018	-3177	0.0243	6774	0.0518
	Sale 01-Jun-2018	-2165	0.0165	4609	0.0352
	Sale 08-Jun-2018	-535	0.0040	4074	0.0311
	Sale 15-Jun-2018	-89	0.0006	3985	0.0304
	Sale 22-Jun-2018	-596	0.0045	3389	0.0259
	Sale 29-Jun-2018	-1008	0.0077	2381	0.0182
	Sale 06-Jul-2018	-18	0.0001	2363	0.0180
	Sale 13-Jul-2018	-554	0.0042	1809	0.0138
	Purchase 20-Jul-2018	204	0.0015	2013	0.0154
	Sale 27-Jul-2018	-627	0.0047	1386	0.0106
	Purchase 03-Aug-2018	1050	0.0080	2436	0.0186
	Purchase 10-Aug-2018	1690	0.0129	4126	0.0315
	Purchase 17-Aug-2018	300	0.0022	4426	0.0338
	Sale 24-Aug-2018	-650	0.0049	3776	0.0288
	Purchase 31-Aug-2018	143	0.0010	3919	0.0299
	Sale 07-Sep-2018	-82	0.0006	3837	0.0293
	Sale 14-Sep-2018	-800	0.0061	3037	0.0232
	Purchase 21-Sep-2018	50	0.0003	3087	0.0236
	Sale 28-Sep-2018	-1431	0.0109	1656	0.0126
	Purchase 05-Oct-2018	980	0.0074	2636	0.0201
	Purchase 12-Oct-2018	601	0.0045	3237	0.0247
	Purchase 19-Oct-2018	448	0.0034	3685	0.0282
	Purchase 26-Oct-2018	800	0.0061	4485	0.0343
	Sale 02-Nov-2018	-800	0.0061	3685	0.0282
	Sale 09-Nov-2018	-31	0.0002	3654	0.0279
	Purchase 16-Nov-2018	2	0.0000	3656	0.0279
	Sale 23-Nov-2018	-25	0.0001	3631	0.0277
	Sale 30-Nov-2018	-480	0.0036	3151	0.0241
	Purchase 07-Dec-2018	627	0.0047	3778	0.0289
	Sale 14-Dec-2018	-125	0.0009	3653	0.0279
	Sale 21-Dec-2018	-1052	0.0080	2601	0.0199

SI No	Name of the Share holder	“Shareholding at the beginning of the year”		“Cumulative Shareholding during the year”	
		No of shares	“% of total shares of the company”	No of shares	“% of total shares of the company”
	Sale 28-Dec-2018	-100	0.0007	2501	0.0191
	Sale 31-Dec-2018	-500	0.0038	2001	0.0153
	Purchase 18-Jan-2019	100	0.0007	2101	0.0160
	Sale 25-Jan-2019	-3	0.0000	2098	0.0160
	Sale 01-Feb-2019	-50	0.0003	2048	0.0156
	Sale 08-Feb-2019	-150	0.0011	1898	0.0145
	Sale 15-Feb-2019	-498	0.0038	1400	0.0107
	Sale 01-Mar-2019	-25	0.0001	1375	0.0105
	Sale 08-Mar-2019	-50	0.0003	1325	0.0101
	Purchase 29-Mar-2019	50	0.0003	1375	0.0105
	At the end of the Year 30-Mar-2019	1375	0.0105	1375	0.0105
	HAVING SAME PAN				
9	BONANZA PORTFOLIO LTD				
	At the beginning of the year 01-Apr-2018	1200	0.0093	1200	0.0093
	Sale 18-May-2018	-100	0.0007	1100	0.0084
	Sale 08-Jun-2018	-1000	0.0076	100	0.0007
	Sale 22-Jun-2018	-100	0.0007	0	0.0000
	At the end of the Year 30-Mar-2019	0	0.0000	0	0.0000
10	DINESH CHHAGANLAL THAKKAR				
	At the beginning of the year 01-Apr-2018	59000	0.4601	59000	0.4601
	Sale 13-Apr-2018	-59000	0.4515	0	0.0000
	At the end of the Year 30-Mar-2019	0	0.0000	0	0.0000

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(v) Shareholding of Directors and Key Managerial Personnel:

Name of the Company : IZMO LIMITED

SI No	Name of the Share holder	“Shareholding at the beginning of the year”		“Cumulative Shareholding during the year”	
		No of shares	“% of total shares of the company”	No of shares	“% of total shares of the company”
1	<b>SANJAY SONI</b>				
	At the beginning of the year 01-Apr-2018	2803010	21.86	2803010	21.86
	Purchase 29-Jun-2018	1000	0.01	2804010	21.87
	Sale 29-Jun-2018	-46397	-0.36	2757613	21.51
	Purchase 15-Feb-2019	4000	0.03	2761613	21.13
	Purchase 29-Mar-2019	3000	0.02	2764613	21.16
	<b>At the end of the Year 31-Mar-2019</b>			2764613	21.16
2	<b>SHASHI SONI</b>				
	At the beginning of the year 01-Apr-2018	687787	5.36	687787	5.36
	<b>At the end of the Year 31-Mar-2019</b>			687787	5.26
3	<b>KIRAN SONI</b>				
	At the beginning of the year 01-Apr-2018	373224	2.91	373224	2.91
	<b>At the end of the Year 31-Mar-2019</b>			373224	2.86

SI No	Name of the Share holder	“Shareholding at the beginning of the year”		“Cumulative Shareholding during the year”	
		No of shares	“% of total shares of the company”	No of shares	“% of total shares of the company”
4	<b>Ramanujam Krishnamurthy</b>				
	At the beginning of the year 01-Apr-2018	NIL	NIL	NIL	NIL
	Purchase/Sale	NIL	NIL	NIL	NIL
	<b>At the end of the Year 31-Mar-2019</b>	NIL	NIL	NIL	NIL
5	<b>Vijay Gupta</b>				
	At the beginning of the year 01-Apr-2018	232524	1.81	232524	1.81
	<b>At the end of the Year 31-Mar-2019</b>	232524	1.81	232524	1.78
6	<b>Perur Phaneendra</b>				
	At the beginning of the year 01-Apr-2018	NIL	NIL	NIL	NIL
	Purchase/Sale	NIL	NIL	NIL	NIL
	<b>At the end of the Year 31-Mar-2019</b>	NIL	NIL	NIL	NIL
7	<b>Suraj Kumar Sahu</b>				
	At the beginning of the year 01-Apr-2018	NIL	NIL	NIL	NIL
	Purchase/Sale/allotted	1200	0.01	1200	0.01
	<b>At the end of the Year 31-Mar-2019</b>	1200	0.01	1200	0.01

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	“Secured Loans excluding deposits”	“Unsecured Loans”	Deposits	“Total Indebtedness”
<b>Indebtness at the beginning of the financial year</b>	131,900,405		-	131,900,405
<b>Change in Indebtedness during the financial year</b>				
Additions	2,849,000		-	2,849,000
Reduction	20,737,188		-	20,737,188
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>	114,012,217	-	-	114,012,217

Note: For details refer Note No. 16 to the Standalone financial statement.



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole time director and/or Manager:**

Sl. No	Particulars of Remuneration	Name of the MD/ WTD/Manager		Total Amount
1	Gross salary	Sanjay Soni	Shashi Soni	
	Salary including perquisites and other benefits as per provisions of Section 17 of Income tax Act, 1961	“Rs.500,000/- Per Month”	“ Rs.1,25,000/- Per Month”	“Rs.6,25,000/- Per Month “
2	Stock option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL
	as % of profit	NIL	NIL	NIL
	others (specify)	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total (A)	“Rs.500,000/- Per Month”	“ Rs.1,25,000/- Per Month”	“Rs.6,25,000/- Per Month “
	Ceiling as per the Act	Within Limit	Within Limit	Within Limit

**B. Remuneration to other directors:**

Sl. No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Mr. Vijay Gupta	“Mr. Ramanujam Krishnamurthy”	“Mr. Perur Phaneendra”	
	(a) Fee for attending board & committee meetings	Rs.1,20,000/-	Rs.3,20,000/-	Rs.3,20,000/-	Rs.7,60,000/-
	(b) Commission	NIL	NIL	NIL	NIL
	(c ) Others, please specify	NIL	NIL	NIL	NIL
	<b>Total (1)</b>	Rs.1,20,000/-	Rs.3,00,000/-	Rs.3,00,000/-	Rs.7,60,000/-
2	Other Non Executive Directors				
	“(a) Fee for attending board committee meetings”	NIL	NIL	NIL	NIL
	(b) Commission	NIL	NIL	NIL	NIL
	(c ) Others, please specify.	NIL	NIL	NIL	NIL
	<b>Total (2)</b>	NIL	NIL	NIL	NIL
	<b>Total (B)=(1+2)</b>	Rs.1,20,000/-	Rs.3,20,000/-	Rs.3,20,000/-	Rs.7,60,000/-
	<b>Total Managerial Remuneration</b>	Rs.1,20,000/-	Rs.3,20,000/-	Rs.3,20,000/-	Rs.7,60,000/-
	<b>Overall Ceiling as per the Act.</b>	Within Limit	Within Limit	Within Limit	Within Limit

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	"Company Secretary"	Total
1	<b>Gross Salary</b>			
	(a) Salary including perquisites and other benefits as per provisions of Section 17 of the Income Tax Act, 1961.	Rs. 2,50,000/- Per Month	Rs. 50,592/- Per Month	Rs. 3,00,592/- Per Month
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL
	as % of profit	NIL	NIL	NIL
	others, specify	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total	Rs. 2,50,000/- Per Month	Rs. 50,592/- Per Month	Rs. 3,00,592/- Per Month

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Place: Bangalore  
Date: 07<sup>th</sup> August 2019

Sd/-  
Sanjay Soni  
Managing Director  
DIN: 00609097  
Address: Flat No. 9,  
Prestige Casablanca Apartments, 12/1,  
Airport Road, Bangalore-560017

By order of the Board  
for IZMO Limited

Sd/-  
Shashi Soni  
Chairperson and Wholetime Director  
DIN: 00609217  
Address: Flat No. 9, Prestige Casablanca  
Apartments, 12/1, Airport Road,  
Bangalore-560017

## ANNEXURE - B

### FORM NO. AOC- 2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
  - (a) Name(s) of the related party and nature of relationship
  - (b) Nature of contracts/arrangements/transactions
  - (c) Duration of the contracts/arrangements/transactions
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - (e) Justification for entering into such contracts or arrangements or transactions
  - (f) date(s) of approval by the Board
  - (g) Amount paid as advances, if any:
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. Details of material contracts or arrangement or transactions at arm's length basis : **No**
  - (a) Name(s) of the related party and nature of relationship:
  - (b) Nature of contracts/arrangements/transactions:
  - (c) Duration of the contracts/arrangements/transactions:
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
  - (e) Date(s) of approval by the Board, if any:
  - (f) Amount paid as advances, if any:

Form shall be signed by the persons who have signed the Board's report.

Place: Bangalore  
Date: 07<sup>th</sup> August 2019

Sd/-  
Sanjay Soni  
Managing Director  
DIN: 00609097  
Address: Flat No. 9,  
Prestige Casablanca Apartments, 12/1,  
Airport Road, Bangalore-560017

By order of the Board  
for IZMO Limited

Sd/-  
Shashi Soni  
Chairperson and Wholetime Director  
DIN: 00609217  
Address: Flat No. 9, Prestige Casablanca  
Apartments, 12/1, Airport Road,  
Bangalore-560017

**ANNEXURE - C****Form AOC-I**

“STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES, PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT, 2013 FOR THE FINANCIAL YEAR 2018-19”

**Part “A” : Subsidiaries**

S No.	Particulars	“Europe Subsidiary”	“US Subsidiary”	“Singapore Subsidiary”	“France Subsidiary”	“Frog Data Subsidiary”
1	Sl.No.	1	2	3	4	5
2	Name of the Subsidiary	Izmo Europe BVBA	Izmo Inc.,	Midrange Software Pte Ltd	Izmo France SARL	Frog Data LLC
3	Reporting period	Apr'18 to Mar'19	Apr'18 to Mar'19	Apr'18 to Mar'19	Apr'18 to Mar'19	Apr'18 to Mar'19
4	a) Reporting Currency	Euros	USD	SGD	Euros	USD
	b) Exchange rate as on 31.03.2019	77.70	69.17	50.71	77.70	69.17
5	Share Capital	111,413,004	1,527,501,830	55,123,998	2,876,252	6,504,410
6	Reserves & Surplus	(9,840,840)	399,642,991	(37,452,436)	(10,800,743)	(100,011,445)
7	Total Assets	177,338,864	2,332,980,952	145,123,648	57,256,154	25,717,555
8	Total Liabilities	75,766,700	405,836,131	127,452,086	65,180,645	119,224,590
9	Investments	-	29,040,127	73,440,871	-	-
10	Turnover	142,939,598	438,017,536	47,943,000	156,717,877	14,244,377
11	Profit before Taxation	(7,748,961)	130,337,107	(2,108,698)	6,563,637	(61,030,121)
12	Provision for Taxation	-	-	-	-	-
13	Profit after Taxation	(7,748,961)	130,337,107	(2,108,698)	6,563,637	(61,030,121)
14	Proposed Dividend	-	-	-	-	-
15	% of Shareholding	100% along with our Subsidiary	100%	100%	100% held by our Singapore subsidiary	100% held by our US subsidiary

Note: 1. Name of the Subsidiary which is yet to commence operations : NIL

2. Name of the Subsidiaries which have been liquidated or sold during the year : NIL

Place: Bangalore  
Date: 07<sup>th</sup> August 2019

Sd/-  
Sanjay Soni  
Managing Director  
DIN: 00609097  
Address: Flat No. 9,  
Prestige Casablanca Apartments, 12/1,  
Airport Road, Bangalore-560017

By order of the Board  
for IZMO Limited

Sd/-  
Shashi Soni  
Chairperson and Wholtime Director  
DIN: 00609217  
Address: Flat No. 9, Prestige Casablanca  
Apartments, 12/1, Airport Road,  
Bangalore-560017

**ANNEXURE D**

## Ratio of Managerial Remuneration

Sl. No.	Particulars	Explanation
i.	The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year	17.48:1 (Sanjay Soni) 4.37:1 (Shashi Soni)
ii.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	8.00 % increase in remuneration of Company Secretary.
iii.	The percentage increase in the median remuneration of employees in the financial year	0.40% increased in median remuneration of employees
iv.	The number of permanent employees on the rolls of company:	265 employees
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:	6.83%:0
vi.	Affirmation that the remuneration is as per the remuneration policy of the company:	The remuneration of directors, senior management and employees is as per the Remuneration Policy of the company.

Place: Bangalore  
Date: 07<sup>th</sup> August 2019

Sd/-  
Sanjay Soni  
Managing Director  
DIN: 00609097  
Address: Flat No. 9,  
Prestige Casablanca Apartments, 12/1,  
Airport Road, Bangalore-560017

By order of the Board  
for IZMO Limited

Sd/-  
Shashi Soni  
Chairperson and Wholetime Director  
DIN: 00609217  
Address: Flat No. 9, Prestige Casablanca  
Apartments, 12/1, Airport Road,  
Bangalore-560017

## Annexure E to the Board's Report

STATEMENT UNDER SECTION 197 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FY 2018-19

TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE YEAR

SI No	Name	Designation	Remuneration received in INR	Qualification & Experience (No. of years)	Date of commencement of employment	Age	Last employment held by such employee, before joining the company	Whether any such employee is relative of any Director	The percentage of equity shares held by the employee in the company
1	Sarbashish Bhattacharjee	Chief Technology Officer	54,91,575	B. Sc. & B.C.A.; 21.09	10-Jul-14	47.1	Megalon Group	No	0.00
2	Akula Satya Kiran	Manager-Engineering	41,65,707	B. Tech; 17.07	24-Sep-07	41.05	Kbase	No	0.09
3	Venkoba Rao Dagudu	Senior Technical	33,14,155	M.C.A; 13.01	19-Jan-15	37.1	Infosys Ltd.	No	0.00
4	Dipankar Kacharia	Director Operations	31,55,770	B.A; 17.07	27-May-14	41.5	Wipro Technologies	No	0.02
5	Kiran Soni	Chief Financial Officer	30,96,540	CA; 23.6	08-Sep-95	51.1	NA	Yes	2.86
6	Jaleel Akbar Mohammad	Senior Technical	28,40,805	M.C.A.; 13.09	30-Jan-15	38.5	NTT Data	No	0.00
7	Vinay Narayana	Delivery Manager	25,05,258	M.Sc. Information Science; 13.02	12-Jan-15	36.3	Educomp Learning Pvt. Ltd.	No	0.00
8	Aniyan Kumar	Director Sales	23,64,103	P.G; 24	01-Oct-14	50.5	Intertec System LLC	No	0.02
9	Jayakumar T H	Manager - Marcom & Design	21,99,750	M.A. ;20.10	01-Dec-04	57.3	Khoday Contact Center	No	0.05
10	P V Rajaram Sastry	Head-Human Resource	20,81,758	MBA; 15+	02-Apr-18	49.1	Highstreet	No	0.00

### Notes:

- 1 Remuneration as shown above includes salary, allowances, bonus, Company's contribution to the provident fund, gratuity and superannuation fund and other perquisite value calculated as per Income Tax Rules, wherever applicable.
- 2 The above details are of employees, who are on permanent basis, located in India.

Place: Bangalore  
Date: 07<sup>th</sup> August 2019

Sd/-  
Sanjay Soni  
Managing Director  
DIN: 00609097  
Address: Flat No. 9,  
Prestige Casablanca Apartments, 12/1,  
Airport Road, Bangalore-560017

By order of the Board  
for IZMO Limited

Sd/-  
Shashi Soni  
Chairperson and Wholetime Director  
DIN: 00609217  
Address: Flat No. 9, Prestige Casablanca  
Apartments, 12/1, Airport Road,  
Bangalore-560017

## ANNEXURE F

### FORM No.MR-3

#### SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED: 31<sup>st</sup> March, 2019

To,  
The Members of  
IZMO LIMITED  
#177/2C Billekahalli Industrial Area,  
Bannerghatta Road,  
Bengaluru 560076

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IZMO Limited** (Hereinafter referred to as "**the company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon. Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2019. (hereinafter referred to as "**the audit period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. The Company had not obtained any External Commercial Borrowing during the period under review;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009(SEBI ICDR Regulations) up to September 10, 2018 and SEBI ICDR Regulations, 2018 w.e.f September 11, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable to the Company during the Audit Period**);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable to the Company during the Audit Period**);
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (SEBI Buyback of Securities

Regulations) up to September 10, 2018 and SEBI Buyback of Securities Regulations, 2018 w.e.f September 11, 2018; **(Not Applicable to the Company during the Review Period);**

i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(vi) Other laws applicable specifically to the Company namely:

- Information Technology Act, 2000 and the rules made thereunder.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards (SS-1) on meetings of the Board of Directors and Secretarial Standards (SS-2) on General Meetings issued by the Institute of Company Secretaries of India;
- Listing Agreements entered into with both the Stock Exchanges (BSE & NSE).

We have not examined compliance by the Company with respect to applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory auditors and other designated professionals.

During the period under review, the Company has complied with the provisions of the Acts Rules, Regulations, Guidelines, etc. mentioned above.

However, we have been informed by the management of the Company, that the statement showing the names of the top ten employees in terms of remuneration drawn was not included in the Board's Report for the year ended March 31, 2018 pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as no employee of the Company was in receipt of remuneration of one crore and two lakh rupees or more per annum or eight lakh and fifty thousand rupees or more per month during the year 2017-18. The Company is of the view that only such employees' details should have been included in the Board's Report, who had drawn the remuneration more than the limits as mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review which required compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the Certificate of Compliance furnished by the CFO and Company Secretary of the Company, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with other applicable laws, rules and regulations.

We further report that during the audit period, there was no event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, etc.

For V. Sreedharan & Associates

Sd/-  
(Pradeep B. Kulkarni)  
Partner  
FCS 7260; CP No. 7835

May 29, 2019  
Bengaluru



## ANNEXURE G

### Secretarial Compliance Report of Izmo Limited for the year ended March 31, 2019

We have examined:

- (a) all the documents and records made available to us and explanation provided by Izmo Limited ("the listed entity");
- (b) the filings/ submissions made by the listed entity to the stock exchanges;
- (c) website of the listed entity;
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification;

for the year ended March 31, 2019 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations), up to September 10, 2018 and SEBI ICDR Regulations, 2018 w.e.f September 11, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (SEBI Buyback of Securities Regulations) up to September 10, 2018 and SEBI Buyback of Securities Regulations, 2018 w.e.f September 11, 2018; **(Not Applicable to the Company during the Review Period)**;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Review Period)**;
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013 **(Not Applicable to the Company during the Review Period)**;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder;
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (c) There was no action taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.
- (d) The action taken by the listed entity to comply with the observation made in previous reports has been enclosed as **Annexure**.

Bengaluru  
May 29, 2019

For V. SREEDHARAN & ASSOCIATES  
Company Secretaries

Sd/-  
(Pradeep B. Kulkarni)  
Partner  
FCS: 7260; CP No. 7835

**Annexure to Secretarial Compliance Report of Izmo Limited for the year ended March 31, 2019**

The following are the actions taken by the listed entity to comply with the observation made in previous reports:

Sl. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	Ms Kiran Soni, who was appointed as corporate analyst from September 30, 2008 was redesignated as Chief Financial Officer with effect from November 10, 2014. The Company did not have a Chief Financial Officer during the period from April 1, 2014 to November 09, 2014 as required under clause (iii) of sub section (1) of Section 203 of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	31.03.2015	Ms. Kiran Soni, a Chartered Accountant has been appointed as Chief Financial Officer w.e.f 10 <sup>th</sup> November 2014.	CFO has since been appointed and non compliance has been complied with.
2	The Company had not appointed a Company Secretary during the period from April 1, 2014 to November 09, 2014 as required under Section 203, sub section (1), clause (ii) of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, However, the said sub-section was complied with by the appointment of Ms. Chitra. M.A as Company Secretary with effect from November 10, 2014.	31.03.2015	Ms. Chitra M. A. a Company Secretary has been appointed as Whole time Company Secretary w.e.f 10 <sup>th</sup> November 2014.	Company Secretary has since been appointed and non compliance has been complied with.
3	Remittance of Unpaid/Unclaimed Interim dividend declared in 2008 to the Investor Education & Protection Fund beyond the period specified in Rule 3 of the Investor Education and Protection Fund (awareness and protection of investors) Rules, 2001 and non-filing of e-Form 1INV relating thereto and non – filing of e-Form 5 INV under Rule 3 of the Investor Education and Protection fund (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012.	31.03.2016	The remittance to the fund was made and E-Form 1 INV and E-Form 5 INV were filed subsequently.	The Company has since remitted the unclaimed divided to IEPF Authority and thus the non compliance has been rectified.

## ANNEXURE- H CORPORATE GOVERNANCE REPORT

### Company's Corporate Governance Philosophy

1. Corporate Governance is a set of systems, policies and practices deep-rooted in the Company's philosophy to ensure that the affairs are being managed in a way which affords accountability, transparency, fairness in all its transactions with all its stakeholders. The Company believes that good governance practices stem from the culture and mind-set of the organization. Effective corporate governance is the strong foundation on which commercial enterprises are built and succeed. The Company's philosophy of Corporate Governance, that of timely disclosures, transparent accounting policies and a strong and Independent Board, goes a long way in preserving all stakeholders' interest, while maximizing long-term shareholder worth.

A report, inter-alia, in line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations") for the year ended 31st March, 2019 is given below:

### 2. Board of Directors:

#### A. Size and Composition of Board:

The composition of the Board of Directors of the Company represents an optimum combination of professionalism, knowledge and experience.

Good Governance cannot be imposed from the outside. It must come from within hence the Board of Directors, at the apex of a Company's corporate governance structure, is the key factor to ensure highest standards of corporate governance. Their contribution is immensely important for ensuring appropriate directions with regard to leadership, vision, strategy, policy making, monitoring and achieving greater levels of performance. The Company's Board of Directors is characterized by Independence, professionalism, transparency in decision making and accountability. It comprises optimum combination of Executive and Non-Executive Directors, each of whom adds value and brings independent view in the decision making process. As per statutory requirements, Company has duly constituted Board is consisting an optimum mix of Executive, Non-executive & Independent Directors.

As on 31st March, 2019, the Board comprises of five Directors, two of which is Executive Directors and three are independent non-executive Directors. The Company has executive chairperson from the Promoter Group.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all Companies in which he/she is a Director. Further, none of the Independent Directors on the Board is serving as an Independent Director in more than seven listed companies. The necessary disclosures regarding directorships/committee positions have been made by all the Directors.

#### B. Board Meetings:

The Board of Directors of the Company met 4(Four) times during the FY 2018-19 as detailed below:

Sr. No.	Date of Meeting	Sr. No.	Date of Meeting
1	30th May, 2018	2	13th August, 2018
3	12th November, 2018	4	06th February, 2019

- C. The composition of the Board as on 31<sup>st</sup> March, 2019 along with attendance of Board/AGM during the year are given below:

Sl. No.	Name of the Director	Category	Date of Appointment	Attendance in Board Meetings during 2018-19	Attendance in last AGM as on 24 <sup>th</sup> September, 2018
1	Mrs. Shashi Soni	Chairperson Whole-Time Director Promoter	01.06.2001	1	Yes
2	Mr. Sanjay Soni	Managing Director Executive Director Promoter	01.04.1999	4	Yes

3	Mr. Perur Phaneendra	Non-Executive Independent Director	30.09.2014	4	Yes
4	Mr.Ramanujam Krishnamurthy	Non-Executive Independent Director	30.09.2014	4	Yes
5	Mr. Vijay Gupta	Non-Executive Independent Director	30.09.2014	1	No

Sl. No.	Name of Director	No of Board of Directors or committees, in which a director is a member or chairperson as on 31st March, 2019			
		Name of Company	Directorships	Committee	
				Member	Chairman
1	Mr. Sanjay Soni	Izmo Limited ( Listed Company)	Managing Director	NIL	NIL
		D'gipro Design Automation And Marketing Private Limited	Director		
		SI2 Microsystems Private Limited	Director		
		Hughes Precision Manufacturing Private Limited	Director		
2	Mrs. Shashi Soni	Izmo Limited( Listed Company)	Whole Time Director	NIL	NIL
		Deep Heritage Private Limited	Director		
3	Mr. Perur Phaneendra	Izmo Limited( Listed Company)	Non-Executive Independent Director	3	3
4	Mr. Ramanujam Krishnamurthy	Izmo Limited( Listed Company)	Non-Executive Independent Director	3	NIL
		Pioneer Distilleries Limited (Listed Company)	Non-Executive Independent Director	2	1
5	Mr. Vijay Gupta	Izmo Limited( Listed Company)	Non-Executive Independent Director	3	NIL
		Aries Gases Private Limited	Director	NIL	NIL

D. Number of Board Meetings held and the date on which held: 4

E. The relationships between directors: Mrs. Shashi Soni is the mother of Mr. Sanjay Soni.

F. Details of shares held by non-executive director is disclosed in the MGT-9 of the Board's Report.

G. During the year under review, the Independent Directors met on 06.02.2019 inter alia, to discuss matters as prescribed under the Companies Act, 2013 and Listing Regulations, All the Independent Directors were present at the Meeting.

Web link of Familiarization programme imparted to Independent Directors: [https://s3-ap-southeast-1.amazonaws.com/assetsin.izmocars.com/userfiles/103042/1-6-2018/izmoltd\\_FAMILIARISATION%20PROGRAMME%20FOR%20INDEPENDENT%20DIRECTORS%20\\_%202018\\_19.pdf](https://s3-ap-southeast-1.amazonaws.com/assetsin.izmocars.com/userfiles/103042/1-6-2018/izmoltd_FAMILIARISATION%20PROGRAMME%20FOR%20INDEPENDENT%20DIRECTORS%20_%202018_19.pdf)

H. The following is the list of core skills/expertise/ competencies identified by the Board of Directors as required in the context of its business (es) and sector(s) for it to function effectively and those actually available with the Board:

Knowledge - understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates,

Behavioural Skills - attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders,

Strategic thinking and decision making,

Financial Skills,

Technical/Professional skills and specialized knowledge to assist the ongoing aspects of the business

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The Board of Directors confirms that in the opinion of the board, the independent directors fulfil the conditions specified in SEBI (LODR) 2015 regulations and are independent of the management.

### 3. Audit Committee

- A. The Audit Committee is comprised of the following three independent Directors as per Regulation 18 of SEBI (LODR) 2015 and section 177 of the Companies Act, 2013. The composition of Audit committee is as below:

Sl. No	Name of Director	Designation
1	Mr. Perur Phaneendra	Chairman
2	Mr. Ramanujam Krishnamurthy	Member
3	Mr. Vijay Gupta	Member

All the Members have relevant finance exposure:

- B. The Audit Committee has met 4 times during the year under review on 30.05.2018, 13.08.2018, 12.11.2018 and 06.02.2019.

Audit Committee Members	No. of meeting attended
Mr. Perur Phaneendra	4
Mr. Ramanujam Krishnamurthy	4
Mr. Vijay Gupta	1

The Chairman of the Audit Committee was present at the 23<sup>rd</sup> Annual General Meeting held on 24th September, 2018.

### C. Terms of Reference:

Your Company's Audit Committee has been discharging its obligations uniformly.

- To oversee the Company's financial reporting process and disclosure of its financial information;
- To recommend the appointment of Statutory Auditors and fixation of the audit fee;
- To review and discuss with the Auditors about internal control systems, the scope of audit including the observations of the Auditors, adequacy of the internal audit function, major accounting policies, practices and entries;
- Compliance with Accounting Standards;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter corporate loans and investments;
- To review the functioning of the Whistle Blower mechanism;
- To look in to the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors;
- Compliance with the Stock Exchange and legal requirements concerning financial statement and related party transactions, if any;
- To review the Company's financial and risk management policies;
- Discuss with the Internal Auditors any significant findings for follow-up thereon;
- To review the quarterly, half yearly and annual financial statement before submission to the Board of Directors.
- Carrying out any such other functions as are mentioned in the terms of reference of the Audit Committee as per Regulation 18 of the Listing Regulations.

The Committee shall also meet the Management team and review the operations, new initiatives and performance of the business units. The Minutes of the Audit Committee would be circulated to the Board, discussed and taken note of.

The Audit Committee reviewed the financial results, accounting and financial controls as well as policies and practices as also internal control and internal audit systems.

#### 4. Nomination and Remuneration Committee

##### A. Composition

The composition of the Committee complies, inter-alia, with the requirements of Regulation 19 of Listing Regulations and Section 178 of the Companies Act, 2013.

The composition of Nomination and Remuneration Committee is as below:

Sl. No	Name of Director	Designation
1	Mr. Perur Phaneendra	Chairman
2	Mr. Ramanujam Krishnamurthy	Member
3	Mr. Vijay Gupta	Member

**B. Meetings:** The Nomination and Remuneration Committee has met 1 time during the year under review on 06.02.2019

The particulars of attendance at the Committee Meetings during the year are given in the table below:

Nomination & Remuneration Committee	No. of meeting attended
Mr. Perur Phaneendra	1
Mr. Ramanujam Krishnamurthy	1
Mr. Vijay Gupta	1

##### C. Terms of Reference

To review, assess and recommend the appointment and remuneration of executive Directors and senior employees of the Company from time to time, periodically review the remuneration package of the Directors/KMP and recommend suitable revision to the Board.

##### Role of the Committee

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal
- Carry out evaluation of every director's performance.
- Identifying the employees eligible for Stock options.
- Carrying out any other such functions as are mentioned in the terms of reference of the Nomination and remuneration committee as per Regulation 19 of the Listing Regulations.

##### Nomination and Remuneration Policy:

The Company's policy inter-alia, on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under the Act is available on the website of Company at

[https://s3-ap-southeast-1.amazonaws.com/assetsin.izmocars.com/userfiles/103042/2018-19%20share/izmo\\_Nomination\\_and\\_Remuneration\\_Policy.pdf](https://s3-ap-southeast-1.amazonaws.com/assetsin.izmocars.com/userfiles/103042/2018-19%20share/izmo_Nomination_and_Remuneration_Policy.pdf)

D. The performance evaluations of independent directors have been done by the entire board of directors, provided that in this evaluation the directors who are subject to evaluation did not participate.

#### 5. Remuneration of Directors:

- Non-Executive Directors are paid sitting fees for attending the meetings of the Board/Committee within the limit as prescribed under the Companies Act, 2013.
- The Non-Executive Directors are paid sitting fees of Rs.40,000/- for each meeting of the Board & Audit Committees and Rs. 10,000 for other committee meetings.

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- C. Details of remuneration paid to Executive Directors, Non-Executive Directors and KMP are disclosed in MGT-9 (Annexure –A).
- D. Details of Shareholding pattern of Executive Directors and Non-Executive Directors are disclosed in MGT-9 (Annexure –A).
- E. None of the directors whether executive or not executive are granted with ESOP

### 6. Stakeholders' Relationship Committee

- A. The Company's Stakeholders Relationship Committee addresses the issues related to stake holders and is comprised of three independent directors.

Sl. No	Name of Director	Designation
1	Mr. Perur Phaneendra	Chairman
2	Mr. Ramanujam Krishnamurthy	Member
3	Mr. Vijay Gupta	Member

- B. Mr. Suraj Kumar Sahu company secretary has designated as compliance officer
- C. Number of Shareholder's Complaints received so far- Nil
- D. Number not solved to the satisfaction of shareholders- Nil  
Number of pending complaints- Nil
- E. There were no pending complaints as on 31<sup>st</sup> March, 2019.

### 7. General Body Meeting

- A. Following are the details of the last three Annual General Meetings:

Year	Venue	Date	Time
2015-16	Bharatiya Vidya Bhavan Race Course Road	10.09.2016	9.30 AM
2016-17	Bharatiya Vidya Bhavan Race Course Road	20.09.2017	9.30 AM
2017-18	Bharatiya Vidya Bhavan Race Course Road	24.09.2018	9.30 AM

- B. Special resolutions passed in the previous 3 AGMs.

Financial Year	Resolutions Passed	Date of passing special resolution
2014-15	NIL	NA
2015-16	<ol style="list-style-type: none"> <li>1. Reappointment of Mr. Sanjay Soni as Managing director of the company.</li> <li>2. Reappointment of Mrs. Shashi Soni as Chairperson and Whole time Director of the company.</li> <li>3. Approval of the ESOP-2016 plan and grant of stock to eligible employees of the Company.</li> <li>4. Approval of the ESOP-2016 plan and grant of stock to eligible employees of the Company's subsidiaries under the plan.</li> </ol>	10.09.2016
2016-17	<ol style="list-style-type: none"> <li>1. Amendment of Memorandum of Association</li> </ol>	20.09.2017
2017-18	<ol style="list-style-type: none"> <li>1. Continuance of directorship of Mr. Vijay Gupta (DIN-00929401), Independent director of the company</li> <li>2. Issue of 10,00,000 convertible share warrants on preferential basis to promoters</li> <li>3. Issue of Equity Shares upto INR 40 Crores to the Qualified Institutional Buyers.</li> </ol>	24.09.2018

**C. Postal Ballot:**

There was no Postal Ballot was conducted during the Financial Year 2018-19.

**8. Means of Communication:**

- A. The quarterly, half-yearly and Annual Consolidated Financial Results are published in widely circulated newspapers such Financial Express/Vartha Bharati in terms of the Listing Regulations.
- B. the Company has uploaded the Investor's presentation in details on the Company's website namely [www.izmold.com](http://www.izmold.com)
- C. The investors can contact the Company on the email id [company.secretary@izmold.com](mailto:company.secretary@izmold.com).
- D. The Company has, as per Green initiatives taken by Ministry of Corporate Affairs, invited the members to register their e mail addresses with the Company so that all communications / documents including the Notice calling the Annual General Meeting and other General Meeting of the members along with explanatory statement(s) thereto, Balance Sheets, Board's Reports, Auditor's Reports etc., can be sent to them in electronic mode.

**9. General Shareholders Information:**

- A. Annual General Meeting:** The Annual General Meeting of the Company will be held on Wednesday, the 25<sup>th</sup> day of September 2019 at 9.30 A.M at Hotel Bharatiya Vidya Bhavan, Race Course Road, Bangalore – 560 001.

Dates of book closure: The Company's Register of Members and Share Transfer Books will remain closed from 19<sup>th</sup> September, 2019 to 25<sup>th</sup> September, 2019 (both days inclusive).

- B. Financial Year:** 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019

- C. Dividend:** In order to augment the ongoing expansion programmes, the Directors have decided to plough back the profit into the system and regret inability to recommend dividend for the financial year 2018-19

- D. Listing on Stock Exchanges:** The Company's Equity Shares are listed on the following stock exchanges:

BSE Limited, Floor 25, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai-400001 (BSE)	The National Stock Exchange of India Ltd, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai-400051 (NSE)
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Listing fees have been paid for the Financial Year 2019-2020.

**E. Scrip Code at:**

The National Stock Exchange of India Ltd – **IZMO**

BSE Limited – **532341**

ISIN - **INE848A01014**

- F. Market Price Data: High/Low, Number of shares traded during each month in the F.Y-2018-19

Month	BSE					NSE				
	High INR	Low INR	Close INR	Total Traded Quantity	Sensex	High INR	Low INR	Close INR	Total Traded Quantity	Nifty
April 2018	119.7	96.3	111.35	9558	35160.36	119.80	96.60	110.90	51,56,781	10739.35
May 2018	115	97.25	98.65	9071	35322.38	114.10	96.65	99.15	31,57,040	10736.15
June 2018	101	69	76.75	5155	35423.48	101.05	68.70	76.80	23,67,235	10714.3
July 2018	96.5	65.1	90.55	6952	37606.58	96.20	65.20	91.50	32,19,276	11356.5
August 2018	94	74.5	79.75	6478	38645.07	93.80	74.50	79.80	21,09,503	11680.5
September 2018	87	65.6	71.85	4269	36227.14	87.50	65.30	71.75	16,71,225	10930.45
October 2018	79.85	65.3	70.65	3151	34442.05	80.00	65.00	70.20	10,24,239	10386.6

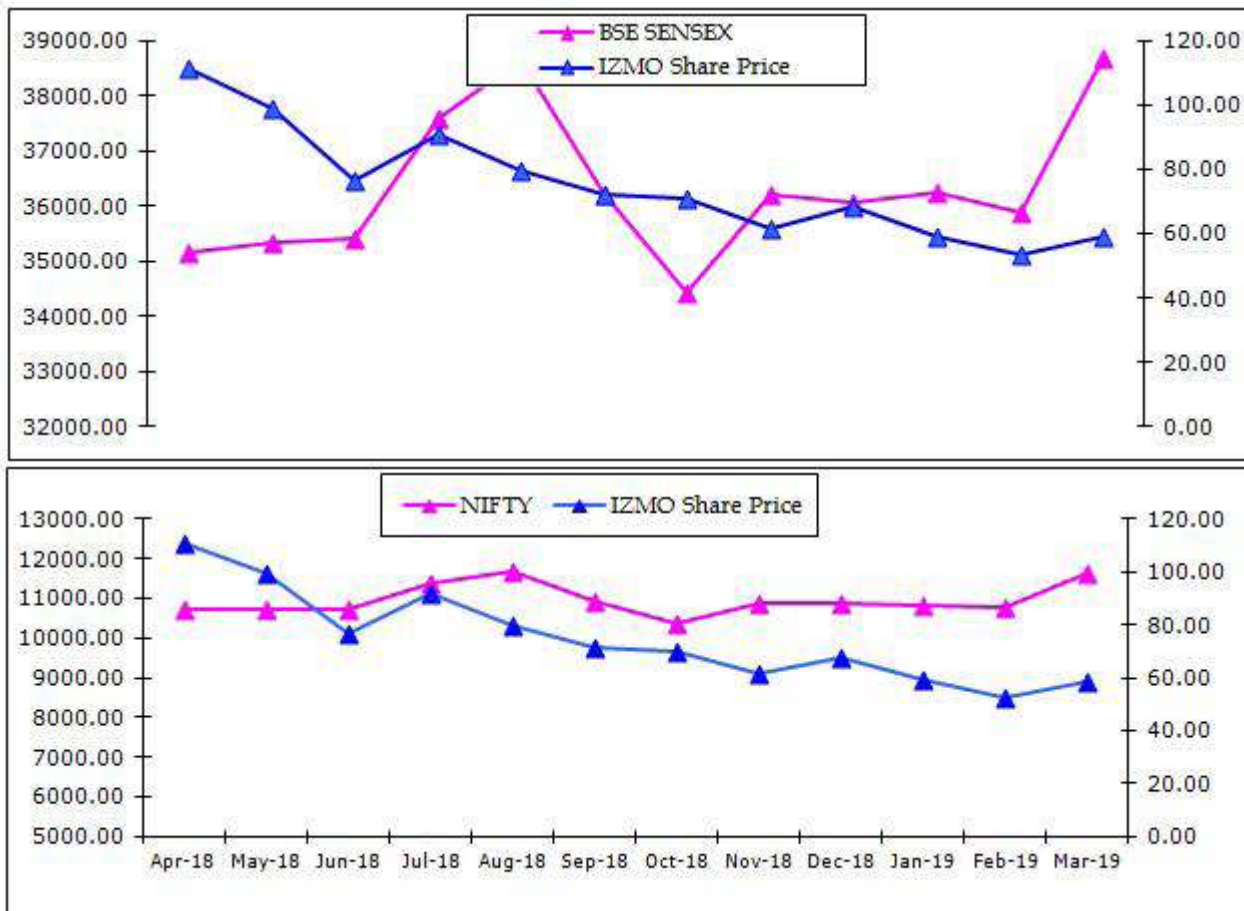


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November 2018	73.8	61	61.7	1357	36194.3	73.80	61.00	61.80	5,70,291	10876.75
December 2018	71	54	68.25	1572	36068.33	70.70	54.25	67.95	6,28,525	10862.55
January 2019	70.5	57.4	59.05	1768	36256.69	71.05	56.25	59.15	4,97,692	10830.95
February 2019	59.3	44.1	53.25	1139	35867.44	59.80	44.70	52.20	4,65,070	10792.5
March 2019	68	51.6	59.2	1270	38672.91	68.40	52.00	58.25	58.25	11623.9

Source-Websites: BSE Ltd. ([www.bseindia.com](http://www.bseindia.com)) & The National Stock Exchange of India Ltd. ([www.nseindia.com](http://www.nseindia.com))

G. A performance chart showing Share Price of the Company in comparison with BSE SENSEX as well as NIFTY during the year 2018-19 is as below:



H. Registrar and Share Transfer Agent and Address for correspondence:

M/s. Cameo Corporate Services Limited is acting as the Registrar and Share Transfer Agents for the shares of the Company held in both physical and electronic modes. All correspondence with regard to share transfers and matters related therewith may directly be addressed to the Share Registrar and Transfer Agents at the address given below:-

Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agents. Members may also write to the Compliance Officer at the Registered Office of the Company as stated below:

<p><b>M/s Cameo Corporate Services Limited</b>                  "Subramanian Building", 5th Floor,                  1, Club House Road, Chennai – 600 002                  Tel: 044-28460390/95                  Fax: 044-28460129                  Email: <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a></p>	<p><b>Mr. Suraj Kumar Sahu</b>                  Company Secretary &amp; Compliance Officer                  P.O. Box 7620, 177/2C, Bilekahalli Industrial Area                  Bannerghatta Road, Bangalore – 560 076                  Tel : +91-80-6712 5400 to 5409                  Fax : +91-80-6712 5425                  Email: <a href="mailto:company.secretary@izmoltd.com">company.secretary@izmoltd.com</a></p>
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**I. Share Transfer System:**

To expedite the transfer in physical mode, authority has been delegated to Stakeholders Relationship Committee of the Board. The Committee considers requests for transfers, transmission of shares, issue of duplicate certificates, issue of certificates on split /consolidation / renewal etc. and the same are processed and delivered within 15 days of lodgment if the documents are complete in all respects. In compliance with the listing Guidelines, every six months, the share transfer system is audited by a practicing Company Secretary and a certificate to that effect is issued by him. Periodically, audits are carried out at the office of the Share Transfer Agents by independent Practicing Company Secretary and requisite Certificates/Reports are obtained.

**J. Distribution Schedule:** As of 31<sup>st</sup> March, 2019 the distribution of the Company's shareholding was as follows:

SLNO	HOLDING	NUMBER	% OF TOTAL	SHARES	% OF TOTAL
1	between 1 and 1000	5642	51.26	3871350	2.96
2	between 1001 and 5000	3378	30.69	10710090	8.2
3	between 5001 and 10000	971	8.82	8212090	6.28
4	between 10001 and 20000	485	4.41	7439140	5.69
5	between 20001 and 30000	151	1.37	3851210	2.95
6	between 30001 and 40000	96	0.87	3458720	2.65
7	between 40001 and 50000	84	0.76	3955540	3.03
8	between 50001 and 100000	96	0.87	7135520	5.46
9	> 100000	104	0.94	82038070	62.78
	<b>Total</b>	<b>11007</b>	<b>100</b>	<b>130671730</b>	<b>100</b>

\* 169,500 Equity Shares have been issue by the Company during Quarter ended 31.03,2019 under ESOP Scheme and the same was pending for listing in both the stock exchanges as on 31st March, 2019.

**K. Dematerialization of shares and liquidity:**

The shares of the Company are in compulsory dematerialized segment and are available for trading system of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL).The status of dematerialization of shares as on 31st March, 2019 is as under:

Particular	No. of Share	% of total capital issued
Held in dematerialized form in CDSL	63,89,042	48.89
Held in dematerialized form in NSDL	62,65,133	47.95
*Physical	4,12,998	3.16

\* 169,500 Equity Shares have been issue by the Company during Quarter ended 31.03,2019 under ESOP Scheme and the same was pending for listing in both the stock exchanges as on 31st March, 2019 and the same number of shares is reflecting on physical share.

**L. Outstanding GDRs/ADRs/ Warrants or any Convertible instruments:**

As of 31st March 2019, the Company does not have any outstanding convertible instruments, which are likely to have an impact on the equity of the Company except Employees Stock Option Scheme 2013. The details of which have been disclosed in the Directors' Report.

**M. Commodity price risk or foreign exchange risk and hedging activities:** The Company had managed the foreign exchange risk. The Company did not have any hedging activities during the financial year ended 31st March, 2018.**N. Address for correspondence:** Address for correspondence given under 9(H) above.**OTHER DISCLOSURES:**

- The disclosure with respect to materially significant related party transactions are given Note No. 39 of notes to Standalone financials statement.
- There was no any non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.
- Details of establishment of vigil mechanism, whistle blower policy, has already given in the Directors report and we affirm that no personnel has been denied access to the audit committee.

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- D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements: The Company is compliant with all the mandatory requirements of the Listing Regulations for FY 2018-19. The Board feels there is no requirement for non-mandatory requirements under Part E of Schedule II of the Listing Regulations.
- E. Web link where policy for determining 'material' subsidiaries and dealing with related party transactions is <http://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm>
- F. Web link where policy on dealing with related party transactions <http://www.izmoltd.com/policies-and-code-of-conduct-en-in.htm>
- G. The Company does not have any exposure to commodity price risk. Further, the Company manages the foreign exchange risk as per the Board approved policy. The foreign exchange and hedging details form part of the Notes to Accounts.
- H. Mr. Pradeep b. Kulkarni (a company secretary in practice) has issued certificate that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority annexed with this report as **Annexure I**.
- I. There have been no instances where the Board has not accepted any recommendation of any of the Committees of the Board during the F.Y 2018-19.
- J. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, given below:

	Rs. in Lakhs
Payment to Statutory Auditors	FY 2018-19
Statutory Audit	3.00
Other Services including reimbursement of expenses	-
Total	3.00

- K. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Board's Report.

The Company is compliant with all the mandatory requirements of the Listing Regulations for FY 2018-19. The non-mandatory requirements under Part E of Schedule II of the Listing Regulations, which is not required for the time being to be complied.

We complied with the disclosure of corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance.

**Declaration signed by the Managing Director stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management** annexed with this report as **Annexure J**.

Compliance certificate from statutory Auditor regarding compliance of conditions of corporate governance is annexed with this report as **Annexure K**.

**ANNEXURE I****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
IZMO Limited  
#177/2C Billekahalli Industrial Area Bannerghatta Road,  
Bengaluru-560076

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **IZMO LIMITED**, having CIN L72200KA1995PLC018734 and having registered office at #177/2C Billekahalli Industrial Area Bannerghatta Road, Bengaluru-560076 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA).

**Details of Directors:**

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Sanjay Soni	00609097	01/04/2007
2.	Ms. Shashi Soni	00609217	01/10/2010
3.	Mr. Vijay Gupta	00929401	23/07/2004
4.	Mr. Ramanujam Krishnamurthy	06940830	30/09/2014
5.	Mr. Perur Phaneendra	06952301	30/09/2014

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V Sreedharan and Associates

Sd/-  
(Pradeep B Kulkarni)  
Partner  
FCS: 7260; C.P No:7835

Place: Bengaluru  
Date: 07th Aug, 2019

## ANNEXURE J

### Declaration by the Managing Director under the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding compliance with Code of Conduct

I hereby confirm that the Company has obtained from all members of the Board and Senior Management personnel, affirmation that they complied with Code of Conduct for the Financial Year 2018-19.

Place: Bengaluru  
Date: 30.05.2019

Sd/-  
Sanjay Soni  
Managing Director

## ANNEXURE K

### MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION AS PER REGULATION 17(8)

To

**The Board of Directors  
IZMO LTD**

- A. We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2019 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (1) Significant changes in internal control over financial reporting during the year;
  - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Sd/-  
Sanjay Soni  
Managing Director

Sd/-  
Kiran Soni  
Managing Director  
Place: Bengaluru

Place: Bengaluru  
Date: 30.05.2019

## **ANNEXURE L**

### **AUDITORS'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

To,  
The Members of Izmo Limited

I have examined the compliance of conditions of corporate governance by Izmo Limited (hereinafter referred "the Company"), for the year ended on 31<sup>st</sup> March, 2018 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Listing Regulations, as applicable.

I further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

For Guru Prakash V  
Chartered Accountant  
M.No. 228938

Date: 07.08.2019  
Place: Bengaluru

# Independent Auditor's Report

## To the Members of Izmo Limited

### Report on the Standalone Financial Statements

#### Opinion

I have audited the accompanying standalone financial statements of **Izmo Limited** ('the Company'), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss (including other comprehensive Income), the statement of changes in Equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements")

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31,2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

I have conducted my audit of the standalone financial statements in accordance with the standards on Auditing specified under section 143(10) of the Act (SA's). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the standalone financials statements section of the my report. I am Independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to my audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on the standalone financial statements.

#### Key audit matters

Key audit matters ('KAM') are those matters that, in my professional judgment, were of most significance in my audit of the standalone financial statements of the current period. These matters were addressed in the context of my audit of the standalone financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

#### 1.(a) Adoption of Ind AS 115 – Revenue from Contracts with customers

As described in Note 2A(f) to the standalone financial statements, the Company has adopted Ind AS 115,

Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit. The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The Company adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.

#### 1.(b) Auditor's Response

My audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), which is the new revenue accounting standard, include –

- Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard;
- Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams;
- Evaluated the changes made to IT systems to reflect the changes required in revenue recognition as per the new accounting standard;
- Evaluated the cumulative effect adjustments as at 1 April 2018 for compliance with the new revenue standard; and
- Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.

#### 2.(a) Accuracy of revenues and onerous obligations in respect of fixed-price contracts involves critical estimates.

Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. The estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations.

# Independent Auditor's Report

## To the Members of Izmo Limited

Refer Notes Note 2A(f) and 24 to the Standalone Financial Statements.

### 2.(b) Auditor's Response

The Company has majority of Time and Material Contracts, where the revenue is determined based on the Milestones defined in the contracts based on Purchase Order.

I have verified the Contracts with the purchase order and are in line with the requirements.

My audit approach was a combination of test of internal controls and substantive procedures which included the following :

- Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.
- Tested the access and application controls pertaining to time recording, allocation and which prevents unauthorized changes to recording of efforts incurred.
- Selected a sample of contracts and through inspection of evidence of performance of these controls, tested operating effectiveness of the internal controls relating to efforts incurred and estimated.
- Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.

### 3.(a) Evaluation of uncertain tax positions

The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes Refer Notes 2A (i) & 43 to the standalone Financial Statements.

### 3.(b) Auditor's Response

- Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management.
- Read and analysed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions;
- Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and
- Assessed management's estimate of the possible outcome of the disputed cases.

### 4.(a) Receivables outstanding for more than 6 months & Confirmation of balances

The Company is of the opinion that Receivables are good in nature and will be realized with certainty in the subsequent period.

Refer Notes 11, 44(a) & 47 to the standalone Financial Statements.

### 4.(b) Auditor's Response

- The Company must take necessary steps to receive the money within the timelines specified in the contracts and keep receivables under control.
- The Debtors balances are subject to confirmation and reconciliation.

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and my auditor's report thereon.

My opinion on the standalone financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the standalone financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring



## Independent Auditor's Report

### To the Members of Izmo Limited

the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### Auditors' Responsibility for the Audit of the Standalone Financial Statements.

My objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, I am also responsible for expressing my opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to

continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. I describe these matters in MY auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, I report that :

- a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- b) In my opinion proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

## Independent Auditor's Report

### To the Members of Izmo Limited

- d) In my opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
- e) On the basis of the written representations received from the directors of the company as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate report in "Annexure B". My report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in my opinion and to the best of my information and according to the explanations given to me. As required by Section 143(3) of the Act, I report that :
- i. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March 2019 on its financial position in its financial statements – Refer Note 43 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) :

In my opinion and according to the information and explanations given to me, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by me.

**Guru Prakash V**

Chartered Accountant  
M. No: 228938

Place: Bangalore  
Date: 30<sup>th</sup> May 2019

## Annexure A to the Independent Auditor's Report:

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of my report to the members of **Izmo Limited** of even date)

- i) In respect of the Company's fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a program of verification to cover all the items of its fixed assets in a phased manner which, in my opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to me, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to me, the records examined by me and based on the examination of the conveyance deeds provided to me, I report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date.
- ii) In my opinion and according to the information and explanations given to me, the inventories have been verified by the management at reasonable intervals in relation to size of the Company and nature of business and no material discrepancies were noticed on physical verification.
- iii) According to the information and explanations given to me, the Company has not granted unsecured loans to body corporate, covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'), in respect of which:
- iv) In my opinion and according to the information and explanations given to me, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under Clause 3(vi) of the order is not applicable to the Company.
- vii) According to the information and explanations given to me, in respect of statutory dues:
  - a) The company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
  - c) According to the information and explanations given to me, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to me, the following dues of income tax and Karnataka Value Added Tax have not been deposited by the Company on account of disputes:

## Annexure - A to the Independent Auditor's Report:

Name of the statute	Nature of dues	Amount (Rs)	Amount Paid under Protest (Rs)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Transfer pricing	Nil	Nil	F.Y.2004-05 (A.Y.2005-06)	Assessing officer to give effect to the ITAT order
Income Tax Act, 1961	Transfer Pricing	1,27,40,080	NIL	F.Y 2008-09 (A.Y.2009-10)	Rectification filed with the Assessing officer; Appeal filed with the High Court
Income Tax Act, 1961	Transfer Pricing	3,67,50,932	70,00,000	F.Y 2009-10 (A.Y.2010-11)	Appellate Tribunal
Income Tax Act, 1961	Transfer Pricing	3,09,10,300	NIL	F.Y 2010-11 (A.Y.2011-12)	Appellate Tribunal
Income Tax Act, 1961	Income Tax	84,23,520	NIL	F.Y 2012-13 (A.Y.2013-14)	CIT Appeals
Income Tax Act, 1961	Income Tax	5,10,33,800	1,02,06,761	F.Y 2013-14 (A.Y.2014-15)	CIT Appeals
Karnataka Value Added Tax Act,2003	CST	3,89,511	3,89,511	F.Y 2010-11	KAT

viii) According to the Information and explanations given to me and on the basis of examination of books of accounts, The Company has been repaying the loans as per the agreed terms during the F.Y.2018-19.

ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under Clause 3(ix) of the Order is not applicable to the Company.

x) To the best of my knowledge and according to the information and explanations given to me, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) In my opinion and according to the information and explanations given to me, the company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provision of the section 197 read with Schedule V to the Act.

xii) The Company is not a Nidhi Company and hence, paragraph 3(xii) of the Order is not applicable to the Company.

xiii) In my opinion and according to the information and explanations given to me, the company is in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have

been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv) According to the information and explanations given to me and based on my examination of the records of the Company, the Company has not made any preferential allotment and private placement of fully or partly convertible debentures during the year.

xv) In my opinion and according to the information and explanations given to me, during the year the Company has not entered into non-cash transactions with directors or persons connected to its Directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi) The Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934

### Guru Prakash V

Chartered Accountant

M. No: 228938

Place: Bangalore

Date: 30<sup>th</sup> May 2019

## Annexure - B to the Independent Auditor's Report:

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of **Izmo Limited** of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of **IZMO Limited** ("the Company") as of 31<sup>st</sup> March 2019 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained, is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Guru Prakash V

Chartered Accountant  
M. No: 228938

Place: Bangalore  
Date: 30<sup>th</sup> May 2019

# Balance Sheet

as at 31st March, 2019

(Amount in Rs.)

Particulars		Note No.	As at March 31,2019	As at March 31,2018
<b>I.</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
	(a) Property, plant and equipment	3	1,93,94,371	18,389,364
	(b) Capital work-in-progress	4	9,386,450	-
	(c) Investment Property	5	20,534,447	21,615,519
	(d) Other Intangible assets	6	14,988,650	34,989,485
	(e) Financial assets			
	(i) Investments	7	1,600,938,496	1,600,938,496
	(f) Deferred tax assets	8	10,503,200	16,689,651
	(g) Other non-current assets	9	53,123,706	39,580,556
	<b>Total Non-current assets</b>		<b>1,728,869,321</b>	<b>1,732,203,071</b>
	<b>Current assets</b>			
	(a) Inventories	10	509,377	52,577
	(b) Financial assets			
	(i) Trade receivables	11	252,612,523	238,660,172
	(ii) Cash and cash equivalents	12	489,748	2,438,328
	(iii) Other financial assets	13	49,810,717	47,101,885
	<b>Total Current assets</b>		<b>303,422,364</b>	<b>288,252,962</b>
	<b>TOTAL ASSETS</b>		<b>2,032,291,685</b>	<b>2,020,456,033</b>
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Shareholders' funds</b>			
	(a) Share capital	14	130,671,730	128,216,730
	(b) Other equity	15	1,562,315,577	1,550,296,279
	<b>TOTAL EQUITY</b>		<b>1,692,987,307</b>	<b>1,678,513,009</b>
<b>II.</b>	<b>LIABILITIES</b>			
	<b>Non-current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	16	83,073,213	111,163,217
	(ii) Other financial liabilities	17	10,291,550	11,687,972
	(b) Provisions	18	16,474,957	13,880,221
	<b>Total Non current liabilities</b>		<b>109,839,720</b>	<b>136,731,410</b>
	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Trade payables	19		
	(i) micro and small enterprises, and		-	-
	(ii) other than micro and small enterprises		142,313,429	136,454,046
	(ii) Other Financial Liabilities	20	46,914,079	35,968,329
	(b) Provisions	21	2,385,239	2,029,849
	(c) Other current liabilities	22	34,188,072	27,268,246
	(d) Current Tax Liabilities (Net)	23	3,663,839	3,491,143
	<b>Total Current liabilities</b>		<b>229,464,658</b>	<b>205,211,613</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,032,291,685</b>	<b>2,020,456,033</b>

for and on behalf of the Board

As per my Report of even date

**Sanjay Soni**

Managing Director

**Shashi Soni**

Chairperson

**Kiran Soni**

Chief Financial Officer

**Suraj Kumar Sahu**

Company Secretary

**Guru Prakash.V**

Chartered Accountant

Membership No. 228938

Place: Bangalore

Date: 30th May, 2019

**Statement of Profit and Loss**

For the Year ended March 31, 2019

(Amount in Rs.)

	Particulars	Note No.	Current Year		Previous Year	
I	Revenue from operations	24		258,220,730		225,999,705
II	Other income	25		22,912,056		46,338,435
III	<b>Total revenue (I + II)</b>			<b>281,132,786</b>		<b>272,338,140</b>
IV	Expenses:					
	Purchases of stock in trade	26	7,226,472		7,162,443	
	Changes in inventories of finished goods, work in progress and Stock-in-Trade	27	(456,800)		55,237	
				6,769,672		7,217,680
	Employee benefits expense	28		171,896,333		166,594,273
	Finance costs	29		13,608,267		11,867,577
	Depreciation and amortization expense	30		26,253,453		12,115,771
	Other expenses	31		54,618,462		59,727,623
	<b>Total expenses</b>			<b>273,146,187</b>		<b>257,522,923</b>
V	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>			<b>7,986,599</b>		<b>14,815,217</b>
VI	Exceptional Items					
VII	<b>Profit before extraordinary items and tax (V-VI)</b>			<b>7,986,599</b>		<b>14,815,217</b>
VIII	Extraordinary items					-
IX	<b>Profit before tax (VII-VIII)</b>			<b>7,986,599</b>		<b>14,815,217</b>
X	Tax expense:					
	Current tax		3,663,839		3,453,772	
	MAT Credit		(3,491,143)		-	
	Deferred tax		6,186,451	<b>6,359,147</b>	6,410,682	<b>9,864,454</b>
XI	Profit for the year from continuing operations (IX - X)			<b>1,627,452</b>		<b>4,950,763</b>
XII	Profit/(loss) from discontinuing operations					-
XIII	Tax expense of discontinuing operations					-
XIV	Profit/(loss) from discontinuing operations (after tax) (XII-XIII)					-
XV	<b>Profit/(Loss) for the year (XI-XIV)</b>			<b>1,627,452</b>		<b>4,950,763</b>
XVI	<b>Other comprehensive income</b>					
	<b>(i) Items that will not be reclassified to profit or loss</b>					
	a) Remeasurements of the defined benefit plans		1,557,974		2,307,586	
	b) Taxes on above		-		-	
	<b>(ii) Items that may be reclassified to profit or loss</b>					
	a) Mark to Market of Investments		-		-	
	b) Taxes on above		-	1,557,974	-	2,307,586
XVII	<b>Total Comprehensive Income (XV + XVI)</b>			<b>3,185,426</b>		<b>7,258,349</b>
XVIII	Earning per equity share before exceptional item:					
	Basic & diluted (in ₹)	33		0.13		0.39
	Earning per equity share after exceptional item:					
	Basic & diluted (in ₹)	33		0.13		0.39
	(Paid up value per share)			10.00		10.00
	<b>Significant accounting policies and notes attached form an integral part of the financial statements</b>					

for and on behalf of the Board

As per my Report of even date

Sanjay Soni  
Managing DirectorShashi Soni  
ChairpersonKiran Soni  
Chief Financial OfficerSuraj Kumar Sahu  
Company SecretaryGuru Prakash.V  
Chartered Accountant  
Membership No. 228938Place: Bangalore  
Date: 30th May, 2019

# Cash Flow Statement

For the Year ended March 31, 2019

(Amount in Rs.)

	Particulars	March 31, 2019	March 31, 2018
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	<b>Net Profit Before Taxation</b>	9,544,573	17,122,803
	Adjustments for:		
	Depreciation	26,253,453	12,115,771
	Interest Expense	13,608,267	11,867,577
	Interest Income	(52,512)	(318,000)
	Rental Income	(8,361,074)	(9,224,929)
	Long term/ Short term capital gain on redemption of mutual funds	-	(24,769,826)
	Profit on Sale of Assets	-	(145,315)
	Employee stock option expenses	8,833,871	10,217,995
	Changes in fair value of financial assets at fair value through profit / loss	726,799	996,603
	Amortisation of deferred interest income on Rent deposit received	(499,973)	(807,508)
	Interest income on rent deposits paid	(234,488)	(207,658)
	<b>Operating Profit Before Working Capital Changes</b>	<b>49,818,917</b>	<b>16,847,513</b>
	Movements in Working Capital :		
	(Increase)/Decrease in Trade Receivables	(13,952,350)	(42,453,444)
	(Increase)/Decrease in Inventories	(456,800)	55,237
	(Increase)/Decrease in short term Loans and Advances	(16,212,242)	5,895,869
	Increase/(Decrease) in Current Liabilities and Provisions	25,419,281	24,058,538
	<b>Cash Generated from Operations</b>	<b>44,616,805</b>	<b>4,403,713</b>
	Direct Taxes paid (Net of Refunds)	(3,663,839)	(3,453,772)
	MAT Credit	3,491,143	-
	<b>Net cash from Operating Activities</b>	<b>44,444,109</b>	<b>949,941</b>
<b>B.</b>	<b>Cash Flows from Investing Activities</b>		
	Purchase of Fixed Assets	(6,451,190)	(45,071,820)
	Capital Work-in-Progress	(9,386,450)	38,798,065
	Proceeds from Sale of Fixed Assets	274,636	168,418
	Sale proceeds from short term investments, includes dividend income(net of related expenses)	-	97,444,636
	Rental Income	8,361,074	9,224,929
	Interest Received	52,512	318,000
	<b>Net cash used in Investing Activities</b>	<b>(7,149,418)</b>	<b>100,882,228</b>
<b>C.</b>	<b>Cash Flows from Financing Activities</b>		
	Repayment of Long Term Borrowings	(28,090,004)	(126,267,152)
	Conversion of Long Term Borrowings into Equity share capital	-	31,200,000
	Proceeds from issue of equity share capital (net of expenses)	2,455,000	594,000
	Interest paid	(13,608,267)	(11,867,577)
	<b>Net Cash used in Financing Activities</b>	<b>(39,243,271)</b>	<b>(106,340,729)</b>
	<b>Net increase in Cash and Cash Equivalents (A + B + C)</b>	<b>(1,948,580)</b>	<b>(4,508,559)</b>
	<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>2,438,328</b>	<b>6,946,887</b>
	<b>Cash and Cash Equivalents at the End of the Year</b>	<b>4,89,748</b>	<b>2,438,328</b>
	<b>Components of Cash and Cash Equivalents</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	Balances with Scheduled Banks		
	- In Current Account	294,068	246,641
	- In Deposit Account linked to Current Account	-	-
	- In EEFC Account	-	-
	Cash on Hand	13,680	12,577
	Deposit with Bank	182,000	2,179,110
	<b>TOTAL</b>	<b>489,748</b>	<b>2,438,328</b>

for and on behalf of the Board

As per my Report of even date

**Sanjay Soni**  
Managing Director

**Shashi Soni**  
Chairperson

**Kiran Soni**  
Chief Financial Officer

**Suraj Kumar Sahu**  
Company Secretary

**Guru Prakash.V**  
Chartered Accountant  
Membership No. 228938

Place: Bangalore

Date: 30th May, 2019



# Notes to Financial Statements

For the Year ended March 31, 2019

## 1. BACKGROUND:

IZMO LIMITED ("the Company") was incorporated on 08th September, 1995. The Company is engaged in interactive marketing solutions. The company offers hi-tech automotive e-retailing solutions.

## 2A. SIGNIFICANT ACCOUNTING POLICIES:

### a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with Accounting Standards ("AS") specified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules as amended from time to time. The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### b) USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Company to make estimates and assumptions that affect certain reported balances of assets and liabilities, disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Accordingly, future results could differ due to changes in these estimates and the difference between the actual result and the estimate are recognized in the period in which the results are known / materialize.

### c) PROPERTY, PLANT AND EQUIPMENT:

#### (i) Tangible assets:

Property Plant and Equipment (PPE) and other tangible assets are stated at cost of acquisition inclusive of freight, duties, taxes and incidental expenses relating to the acquisition, installation, erection and commissioning less depreciation. Internally manufactured assets are valued at works cost. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are recognized in the Statement of Profit & Loss while incurred. Spare parts whose life has more than 12 month has been considered as PPE and capitalized by the company.

#### (ii) Intangible assets:

Intangible assets are accounted at cost of acquisition less depreciation /amortization.

#### (iii) Depreciation & Amortization:

a. Depreciation on PPE bought/sold during the year is charged on straight line method as per the useful life in Schedule II of Act, depending upon the month of the financial year in which the assets are installed/sold. For the assets acquired prior to April 1, 2014 the carrying amount as on April 1, 2014 is depreciated on over the remaining useful life as defined in Schedule II of the Act.

b. Intangible assets are amortized over a period of 2-5 years

#### (iv) Investment Property

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Company, are classified as investment property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to investment properties are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Investment properties are depreciated using the straight line method over the useful lives and is recognised in the statement of profit and loss. Depreciable investment properties have been ascribed a useful life in the range of 30 years.

### d) INVESTMENTS:

(i) Investments unless otherwise stated are considered as long term in nature and are valued at acquisition cost less provision for diminution, if any other than those which are considered as temporary in nature.

(ii) Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

### e) INVENTORIES:

(i) Inventories does not include spare parts ,servicing equipment and stand by equipment which meet definition of PPE as per AS-10 (revised) .

(ii) Raw materials, stores, spare parts and components are valued at cost on weighted average basis or net realizable value whichever is lower.

(iii) Work in progress is valued at works cost or net realizable value whichever is lower.

(iv) Finished goods are valued at works cost or net realizable value whichever is lower.

# Notes to Financial Statements

## For the Year ended March 31, 2019

- (v) Material cost of work in progress and finished goods are computed on weighted average basis.

### f) REVENUE RECOGNITION:

Revenue is recognized to an extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- (i) "Revenue from Contract with Customer: Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations maybe satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method. A liability is recognised for expected sale returns and corresponding assets are recognised for the products expected to be returned. The Company recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Company expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer."

- (ii) Interest income is recognized on time proportion basis.
- (iii) Dividend income is recognized, when the right to receive the dividend is established.
- (iv) Rental income is recognized on time proportion basis.

### g) EMPLOYEE BENEFITS:

#### (i) Short term employee benefits:

Employee benefits payable wholly within twelve months of rendering the service are classified as short term. Benefits such as salaries, bonus, leave travel allowance etc. are recognized in the period in which the employee renders the related service.

#### (ii) Post employment benefits:

##### a. Defined contribution plans:

The Company has contributed to provident and pension which are defined contribution plans. The contributions paid/ payable under

the scheme are recognized during the year in which employee renders the related service.

##### b. Defined benefit plans:

Employees' gratuity is defined benefit plan. The present value of the obligation under such plan is determined based on actuarial valuation using the Projected Unit Credit Method which considers each year of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains and losses are recognized in the statement of other comprehensive income in the year they arise. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields as at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms that matches to the defined benefit obligation.

- c. **Compensated Absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognized in the statement of profit and loss in the year in which they arise.

#### (iii) Share Based Payments:

Share-based compensation benefits are provided to employees via the IZMO Limited Employee Stock Option Plan

The fair value of options granted under the Employees' Stock Option Scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

## Notes to Financial Statements

For the Year ended March 31, 2019

- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

### h) FOREIGN CURRENCY TRANSACTIONS:

- (i) Foreign currency transactions are translated into rupees at the exchange rate prevailing on the date of the transaction / rates that approximate the actual rates as at that date.
- (ii) Monetary foreign currency assets and liabilities outstanding as at the year-end are restated at the exchange rates prevailing as at the close of the financial year. All exchange differences are accounted for in the statement of profit and loss.
- (iii) Non monetary items denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction.

### i) TAXES ON INCOME:

Provision for Income-tax of the company has been made at the higher of that on the assessable income or on basis of section 115 JB of the Income Tax Act, 1961 after taking cognizance of excess / short provision in prior years. Deferred tax is recognized subject to consideration of prudence, on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit is recognized using current tax rates. Deferred tax assets / liabilities are reviewed as at each Balance sheet date.

In terms of the Guidance note on accounting for credit available in respect of Minimum Alternative Tax (MAT) under the Income Tax Act 1961, issued by the ICAI, the excess of MAT over normal current tax payable has been recognized as an asset by way of credit to the profit & loss account as "MAT credit entitlement"

### j) BORROWING COSTS:

Interest and other borrowing costs on specific borrowings relating to qualifying assets are capitalized up to the date such assets are ready for use / intended to use. Other interest and borrowing costs are charged to the statement of profit and loss.

### k) PROVISIONS AND CONTINGENT LIABILITIES:

- i) A provision is recognized when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required

to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits, decommissioning and site restoration cost) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

- ii) Financial effect of contingent liabilities is disclosed based on information available upto the date on which financial statements are approved. However, where a reasonable estimate of financial effect cannot be made, suitable disclosures are made with regard to this fact and the existence and nature of the contingent liability.

### l) EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares during the period. For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to the equity share holders and weighted average number of shares outstanding during the period are adjusted for the effects of all potential dilutive equity shares.

### m) FINANCIAL INSTRUMENTS:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

#### (i) Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash and deposit with banks. The company considers all highly liquid investments including demand deposits with bank with an original maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

#### (ii) Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- (iii) "Financial assets at fair value through other comprehensive income (FVTOCI)" All equity investments and unquoted debentures are measured at fair values. Investments which are not held for trading purposes and where the Company

## Notes to Financial Statements

### For the Year ended March 31, 2019

has exercised the option to classify the investment as at fair value through other comprehensive income, all fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments."

"Financial assets at fair value through profit or loss (FVTPL) Financial assets which are not classified in any of the categories above are fair value through profit or loss."

#### (iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### n) IMPAIRMENT:

##### (i) Financial Assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

##### (ii) Non Financial Assets:

A non financial asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss, if any, is charged to statement of profit and loss, in the year in which an asset is identified as impaired.

#### o) LEASES:

##### (i) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under an operating leases are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the period of lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

##### (ii) Finance leases

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property

or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other financial liabilities. Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liabilities included in Non-current liabilities. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

#### p) SEGMENT REPORTING

Segments are identified based on the manner in which the Company's Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

### 2B. Recent Accounting Pronouncements

"Changes in Accounting Standard and recent accounting pronouncements. On March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Company is currently evaluating the implication of Ind AS 116 on the financial statements. The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019"

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatment
2. Ind AS 12, Income Taxes - Accounting for Dividend Distribution Taxes.
3. Ind AS 23, Borrowing costs
4. Ind AS 28 – investment in associates and joint ventures
5. Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements
6. Ind AS 109 – Financial instruments
7. Ind AS 19 – Employee benefits

The Company is in the process of evaluating the impact of such amendments

90 **Notes to Financial Statements** For the Year ended March 31, 2019

**3. Property plant and equipment: Tangible assets**

(Amount in Rs.)

Particulars	Land	Computers	Plant & Machinery	Office equipments	Electrical Installations	Furniture and fittings	Leasehold Improvements	Motor vehicles	Total
<b>Gross block:</b>									
Balance as at 01 April 2017	4,674,279	52,208,300	6,871,701	7,063,408	9,020,679	5,417,028	8,397,020	11,534,878	105,187,293
Additions	-	2,169,284	-	98,602	122,766	237,301	-	3,255,202	5,883,155
Disposals	-	454,182	-	-	-	-	-	990,000	1,444,182
<b>Balance as at 31 March 2018</b>	<b>4,674,279</b>	<b>53,923,402</b>	<b>6,871,701</b>	<b>7,162,010</b>	<b>9,143,445</b>	<b>5,654,329</b>	<b>8,397,020</b>	<b>13,800,080</b>	<b>109,626,266</b>
Additions	-	1,846,967	36,000	86,899	224,070	1,273,450	-	2,983,804	6,451,190
Disposals	-	262,366	-	-	-	-	-	12,270	274,636
<b>Balance as at 31 March 2019</b>	<b>4,674,279</b>	<b>55,508,003</b>	<b>6,907,701</b>	<b>7,248,909</b>	<b>9,367,515</b>	<b>6,927,779</b>	<b>8,397,020</b>	<b>16,771,614</b>	<b>115,802,820</b>
<b>Accumulated depreciation:</b>									
Balance as at 01 April 2017	-	45,026,045	6,753,553	6,412,983	6,358,842	4,544,259	8,068,249	9,690,230	86,854,162
Depreciation charge for the year	-	4,332,461	18,316	205,079	483,180	170,159	49,767	544,857	5,803,819
Disposals	-	431,079	-	-	-	-	-	990,000	1,421,079
<b>Balance as at 31 March 2018</b>	<b>-</b>	<b>48,927,427</b>	<b>6,771,869</b>	<b>6,618,062</b>	<b>6,842,022</b>	<b>4,714,418</b>	<b>8,118,016</b>	<b>9,245,087</b>	<b>91,236,902</b>
Depreciation charge for the year	-	3,287,167	17,207	218,606	436,489	197,240	49,766	965,072	5,171,547
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>-</b>	<b>52,214,594</b>	<b>6,789,076</b>	<b>6,836,668</b>	<b>7,278,511</b>	<b>4,911,658</b>	<b>8,167,782</b>	<b>10,210,160</b>	<b>96,408,449</b>
<b>Net block:</b>									
Balance as at 31 March 2018	4,674,279	4,995,975	99,832	543,948	2,301,423	939,911	279,004	4,554,993	18,389,364
<b>Balance as at 31 March 2019</b>	<b>4,674,279</b>	<b>3,293,409</b>	<b>118,625</b>	<b>412,241</b>	<b>2,089,004</b>	<b>2,016,121</b>	<b>229,238</b>	<b>6,561,454</b>	<b>19,394,371</b>

**Additional information:**

- 1) Management has determined that there are no significant parts of assets whose useful life is different from that of the principal asset to which it relates to in terms of Note 4 Schedule II to the Companies Act, 2013. Accordingly, useful life of assets have been determined for the overall asset and not for its individual components.

## Notes to Financial Statements

For the Year ended March 31, 2019

(Amount in Rs.)

	Particulars	As at March 31, 2019	As at March 31, 2018
<b>4.</b>	<b>Intangible Assets under development:</b>		
a)	Software	9,386,450	-
	<b>Total</b>	<b>9,386,450</b>	<b>-</b>

### 5. Investment Property

(Amount in Rs.)

	Building at Whitefield
<b>Gross block:</b>	
Balance as at 01 April 2017	4,91,78,564
Additions	-
Balance as at 31 March 2018	4,91,78,564
Additions	-
<b>Balance as at 31 March 2019</b>	<b>49,178,564</b>
<b>Accumulated depreciation:</b>	
Balance as at 01 April 2017	26,481,973
Amortisation charge for the year	1,081,072
Balance as at 31 March 2018	27,563,045
Amortisation charge for the year	1,081,072
<b>Balance as at 31 March 2019</b>	<b>28,644,117</b>
<b>Net block:</b>	
Balance as at 31 March 2018	21,615,519
<b>Balance as at 31 March 2019</b>	<b>20,534,447</b>

Fair market value of Building at Rs. 27,65,73,000/- have been arrived at on the basis of valuations carried out by the Company internally on the basis of market value of building as on the respective dates.

### 6. Other Intangible Assets

(Amount in Rs.)

<b>Gross block:</b>	Computer software	Intellectual property	Total
Balance as at 01 April 2017	68,208,906	200,076,188	268,285,094
Additions	39,188,665	-	39,188,665
Balance as at 31 March 2018	107,397,571	200,076,188	307,473,759
Additions	-	-	-
<b>Balance as at 31 March 2019</b>	<b>107,397,571</b>	<b>200,076,188</b>	<b>307,473,759</b>
<b>Accumulated amortisation:</b>			
Balance as at 01 April 2017	67,177,206	200,076,188	267,253,394
Amortisation charge for the year	5,230,880	-	5,230,880
Balance as at 31 March 2018	72,408,086	200,076,188	272,484,274
Amortisation charge for the year	20,000,835	-	20,000,835
<b>Balance as at 31 March 2019</b>	<b>92,408,921</b>	<b>200,076,188</b>	<b>292,485,109</b>
<b>Net block:</b>			
Balance as at 31 March 2018	34,989,485	-	34,989,485
<b>Balance as at 31 March 2019</b>	<b>14,988,650</b>	<b>-</b>	<b>14,988,650</b>

## Notes to Financial Statements

For the Year ended March 31, 2019

### 7. Non current investments:

(Amount in Rs.)

Details of investments/Name of the Company	As at March 31, 2019			As at March 31, 2018		
	No of shares	Face value	Amount	No of shares	Face value	Amount
<b>a) Investments in equity Instruments:</b>						
1) Subsidiaries: (Other than Trade, Unquoted) Fully paid up						
i) Investment in Equity Shares of Midrange Software Pte Ltd, Singapore	1,904,915	SGD 1	55,123,998	1,904,915	SGD 1	55,123,998
ii) Investment in Equity Shares of Izmo Inc (Formerly Logix Americas Inc.,)	150,000	USD 1	1,456,937,211	150,000	USD 1	1,456,937,211
iii) Investment in Equity Shares of Logix Microsystems Inc., USA	65,500	USD 1	3,071,845	65,500	USD 1	3,071,845
iv) Investment in Equity Shares of Izmo Europe BVBA, Belgium	1,359,093	EURO 1	88,877,287	1,359,093	EURO 1	88,877,287
<b>Total</b>			<b>1,604,010,341</b>			<b>1,604,010,341</b>
Less: Provision for diminution in value of investments			(3,071,845)			(3,071,845)
<b>Total</b>			<b>1,600,938,496</b>			<b>1,600,938,496</b>

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>8. Deferred tax Assets (Net):</b>		
<b>a) Deferred tax liability:</b>		
i) On account of depreciation on fixed assets ( other than land)	-	-
ii) On account of fair valuation of investments	-	-
<b>Total</b>	-	-
<b>b) Deferred tax asset:</b>		
i) On account of depreciation on fixed assets (other than land)	10,503,200	16,689,651
ii) On account of timing differences in recognition of expenditure	-	-
<b>Total</b>	<b>10,503,200</b>	<b>16,689,651</b>
<b>Net Deferred tax (liability)/asset</b>	<b>10,503,200</b>	<b>16,689,651</b>
<b>9. Other non current assets:</b>		
(unsecured and considered good)		
a) Balances with revenue authorities	18,641,521	9,008,738
b) Advance payment of tax (net)	17,663,148	13,772,912
c) Capital advances	11,725,000	11,725,000
d) Security deposits	3,010,646	2,794,743
e) Security deposits- Others	1,698,202	1,698,202
f) Deferred Income - Rental Deposit	385,188	580,961
	<b>53,123,706</b>	<b>39,580,556</b>
Less: Allowance for bad and doubtful receivables	-	-
<b>Total</b>	<b>53,123,706</b>	<b>39,580,556</b>

## Notes to Financial Statements

For the Year ended March 31, 2019

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>10. Inventories:</b>		
a) Finished goods	509,377	52,577
<b>Total</b>	<b>509,377</b>	<b>52,577</b>
<b>11. Trade receivables:</b>		
a) Trade receivables exceeding six months	72,431,623	44,485,422
b) others	180,180,900	194,174,750
	<b>252,612,523</b>	<b>238,660,172</b>
Less: Allowance for doubtful receivables	-	-
<b>Total</b>	<b>252,612,523</b>	<b>238,660,172</b>
Additional information:		
1) Breakup of above:		
a) Secured, considered good	-	-
b) Unsecured, considered good	252,612,523	238,660,172
c) Doubtful	-	-
<b>Total</b>	<b>252,612,523</b>	<b>238,660,172</b>
Less: Allowance for doubtful receivables	-	-
<b>Total</b>	<b>252,612,523</b>	<b>238,660,172</b>
2) i) Debts due by directors or other officers of the company	-	-
ii) Amounts due by private companies in which directors of the Company are directors	-	-
3) Also refer Note No. 44, in this regard.		
<b>12. Cash and Cash Equivalents:</b>		
Cash and cash equivalents:		
a) Balances with banks		
- in other accounts	476,068	2,425,751
b) Cash on hand	13,680	12,577
<b>Total</b>	<b>489,748</b>	<b>2,438,328</b>
<b>13. Other Financial Assets:</b>		
a) Loans and advances	34,047,125	31,582,399
b) Others	15,763,592	15,519,486
	<b>49,810,717</b>	<b>47,101,885</b>
Less: Allowance for doubtful advances for advance paid to suppliers and others	-	-
<b>Total</b>	<b>49,810,717</b>	<b>47,101,885</b>
Additional information:		
1) Breakup of above:		
a) Secured, considered good	-	-
b) Unsecured, considered good	49,810,717	47,101,885
c) Doubtful	-	-
<b>Total</b>	<b>49,810,717</b>	<b>47,101,885</b>
Less:		
Allowance for doubtful advances for advance paid to suppliers and others	-	-
<b>Total</b>	<b>49,810,717</b>	<b>47,101,885</b>
2) i) Debts due by directors or other officers of the company	-	-
ii) Amounts due by private companies in which directors of the Company are directors	15,522,336	15,522,336



## Notes to Financial Statements

For the Year ended March 31, 2019

(Amount in Rs.)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	Rs.	Nos.	Rs.
<b>14. Share capital:</b>				
Authorized:				
Equity shares of Rs. 10/- each	18,000,000	180,000,000	18,000,000	180,000,000
	<b>18,000,000</b>	<b>180,000,000</b>	<b>18,000,000</b>	<b>180,000,000</b>
Issued, subscribed and fully paid up:				
Equity shares of Rs.10/- each				
At the beginning of the year	12,821,673	128,216,730	12,162,273	121,622,730
Issued during the year				
- by way of conversion of loan into fully paid up equity shares	-	-	600,000	6,000,000
- by way of Employee Stock Options	245,500	2,455,000	59,400	594,000
At the close of the year	<b>13,067,173</b>	<b>130,671,730</b>	<b>12,821,673</b>	<b>128,216,730</b>
<b>Total carried to Balance Sheet</b>		<b>130,671,730</b>		<b>128,216,730</b>
<b>a) Particulars of equity share holders holding more than 5% of the total number of equity share capital:</b>				
Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	Percentage	Nos.	Percentage
(i) Sanjay Soni	2,764,613	21.16%	2,803,010	21.86%
(ii) Shashi Soni	687,787	5.26%	687,787	5.36%
<b>b) Equity shares allotted as fully paid-up (during 5 years preceding March 31, 2019) pursuant to contracts without payment being received in cash</b>				
Particulars	As at March 31, 2019		As at March 31, 2018	
Shares issued upon conversion of borrowings (No.of Shares)		-		600,000

# Statement of Changes in Equity

For the Year ended March 31, 2019

Note : 15 Other Equity

(Amount in Rs.)

Particulars	Other Equity					Other Comprehensive Income			Total Other equity
						Items that will be reclassified to profit or loss	Items that will not be reclassified to profit or loss		
	Share premium	General Reserve	Retained earnings	ESOP outstanding Account	Total (A)	Mark to Market of Investment	Actuarial gains/ (losses) of employee benefits	Total(B)	
<b>As at April 1, 2017</b>	<b>1,450,252,330</b>	<b>6,339,532</b>	<b>44,892,543</b>	<b>4,925,675</b>	<b>1,506,410,080</b>	<b>16,501,270</b>	<b>1,209,854</b>	<b>17,711,124</b>	<b>1,524,121,204</b>
Add/(Less): Loss for the year	-	-	4,950,763	-	4,950,763	-	-	-	4,950,763
Add/(Less): On account of new issue	25,200,000	-	-	-	25,200,000	-	-	-	25,200,000
Add: Employee stock option expenses	-	-	-	10,217,995	10,217,995	-	-	-	10,217,995
Add/(Less): Issue of shares under ESOP scheme	2,487,390	-	-	(2,487,390)	-	-	-	-	-
Add/(Less): Ind AS adjustments	-	-	(21,166,871)	-	(21,166,871)	-	2,307,586	2,307,586	(18,859,285)
Less: Tax Adjustment on Ind AS items	-	-	4,665,602	-	4,665,602	-	-	-	4,665,602
<b>Total as at March 31, 2018</b>	<b>1,477,939,720</b>	<b>6,339,532</b>	<b>33,342,037</b>	<b>12,656,280</b>	<b>1,530,277,569</b>	<b>16,501,270</b>	<b>3,517,440</b>	<b>20,018,710</b>	<b>1,550,296,279</b>
Add/(Less): Loss for the year	-	-	1,627,452	-	1,627,452	-	-	-	1,627,452
Add/(Less): On account of new issue	-	-	-	-	-	-	-	-	-
Add: Employee stock option expenses	-	-	-	8,833,871	8,833,871	-	-	-	8,833,871
Add/(Less): Issue of shares under ESOP scheme	11,534,900	-	-	(11,534,900)	-	-	-	-	-
Add/(Less): Ind AS adjustments *	-	-	16,501,270	-	16,501,270	(16,501,270)	1,557,974	(14,943,296)	1,557,974
Less: Tax Adjustment on Ind AS items	-	-	-	-	-	-	-	-	-
<b>Total as at March 31, 2019</b>	<b>1,489,474,620</b>	<b>6,339,532</b>	<b>51,470,760</b>	<b>9,955,251</b>	<b>1,557,240,163</b>	<b>-</b>	<b>5,075,414</b>	<b>5,075,414</b>	<b>1,562,315,577</b>

\* Ind-AS Reclassification

## Notes to Financial Statements

For the Year ended March 31, 2019

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non- Current Liabilities</b>		
<b>16. Borrowings:</b>		
<b>1) Secured loans:</b>		
a. Loan from Banks/Financial institutions	11,40,12,217	13,19,00,405
Less: Current maturities on loan from banks	3,09,39,004	2,07,37,188
<b>Total Borrowings</b>	<b>8,30,73,213</b>	<b>11,11,63,217</b>
<b>Additional information:</b>		
1) Details of security for secured loans: Vehicle Loan from bank / financial institution secured against the hypothecation of the respective vehicles purchased		
2) Term loan from Financial Institution is secured against immovable property and second charge on moveable asset and personal guarantee by Promoter Directors. Terms of repayment of term loans and others From Bank: i) Vehicle loan from bank/financial institution carries interest of 10.50% / 9.06% / 8.93% per annum and repayable in 60 equal monthly instalments. ii) Term Loan carries floating interest rate linked to SBI -3 year MCLR rate.		
3) Period and amount of continuing default as on Balance sheet date i) In respect of Loan repayment and Interest:		
		(Amount in Rs.)
Particulars	Amount in Rs.	Amount in Rs.
<b>Term Loans</b>		
- from Banks	-	-
- from Others	-	-

## Notes to Financial Statements

For the Year ended March 31, 2019

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non - Current Liabilities</b>		
<b>17. Other Financial Liabilities:</b>		
a) Refundable Security deposits from Lessee	10,291,550	11,187,999
b) Deferred Rental expense	-	499,973
<b>Total</b>	<b>10,291,550</b>	<b>11,687,972</b>
<b>18. Provisions:</b>		
a) For employee defined benefit plans	11,336,264	9,530,363
b) For employee compensatory absences	5,138,693	4,349,858
<b>Total</b>	<b>16,474,957</b>	<b>13,880,221</b>

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018	
<b>Current Liabilities</b>			
<b>19. Trade payables:</b>			
a) Total outstanding dues of micro and small enterprises	-	-	
b) Total outstanding dues other than micro and small enterprises	142,313,429	136,454,046	
<b>Total</b>	<b>142,313,429</b>	<b>136,454,046</b>	
<b>Additional Information:</b>			
The details of amounts outstanding to Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:			
SI No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Also refer Note No. 45 in this regard.			
<b>20. Other Financial Liabilities:</b>			
a) Current maturities of secured loan from bank	30,939,004	20,737,188	
b) Advance from customers	15,475,075	14,731,141	
c) Others	500,000	500,000	
<b>Total</b>	<b>46,914,079</b>	<b>35,968,329</b>	

## Notes to Financial Statements

For the Year ended March 31, 2019

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>21. Provisions:</b>		
a) Provision for short term compensated absences	734,619	563,646
b) Provision for Gratuity	1,650,620	1,466,203
<b>Total</b>	<b>2,385,239</b>	<b>2,029,849</b>
<b>22. Other current liabilities:</b>		
a) Accrued Expenses and other liabilities	28,536,877	19,870,515
b) Statutory Dues	2,977,718	3,489,201
c) Deferred Income	2,673,477	3,908,530
<b>Total</b>	<b>34,188,072</b>	<b>27,268,246</b>
<b>23. Current Tax Liabilities (Net):</b>		
a) Provision for tax (net of advance tax)	3,663,839	3,491,143
<b>Total</b>	<b>3,663,839</b>	<b>3,491,143</b>
<b>24. Revenue from operations:</b>		
a) Software Sales & Services:		
- Domestic	16,173,039	15,082,387
- Exports	242,047,691	210,917,318
<b>Total</b>	<b>258,220,730</b>	<b>225,999,705</b>
<b>25. Other income:</b>		
a) Interest Income	52,512	318,000
b) Maintenance Charges Income	2,229,739	2,733,735
c) Miscellaneous Income	7,479,902	8,131,464
d) Profit on sale of Assets	-	145,315
e) Profit on sale of Mutual Funds	-	24,769,826
f) Rental Income	8,361,074	9,224,929
g) Foreign Exchange Gain	4,054,368	-
h) Interest income on rent deposits paid	234,488	207,658
i) Amortisation of deferred interest income on Rent deposit received	499,973	807,508
<b>Total</b>	<b>22,912,056</b>	<b>46,338,435</b>
<b>26. Cost of Purchase:</b>		
a) Custom Duty	-	105,589
b) Cost of Purchase for Resale	7,226,472	7,056,854
<b>Total</b>	<b>7,226,472</b>	<b>7,162,443</b>
<b>27. Changes in inventories of stock in trade:</b>		
Stocks at the end of the year		
a) Trading goods		
Stock in Trade	509,377	52,577
<b>Total</b>	<b>509,377</b>	<b>52,577</b>
Less: Stocks at the beginning of the year		
a) Trading goods		
Stock in Trade	52,577	107,814
	52,577	107,814
<b>Total</b>	<b>(456,800)</b>	<b>55,237</b>

# Notes to Financial Statements

For the Year ended March 31, 2019

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>28. Employee benefit expenses:</b>		
a) Salaries, wages and bonus	149,451,830	142,202,595
b) Contribution to provident and other funds	5,076,697	5,146,186
c) Gratuity	2,584,326	2,484,598
d) Staff welfare expenses	4,391,635	4,235,313
e) Reclassification of Actuarial gains/ losses	1,557,974	2,307,586
f) Employee stock option expenses	8,833,871	10,217,995
<b>Total</b>	<b>171,896,333</b>	<b>166,594,273</b>
<b>29. Finance costs:</b>		
a) Interest expense	13,608,267	11,867,577
<b>Total</b>	<b>13,608,267</b>	<b>11,867,577</b>
<b>30. Depreciation and amortization:</b>		
a) Depreciation	6,252,618	6,884,891
b) Amortization of intangible assets	20,000,835	5,230,880
<b>Total</b>	<b>26,253,453</b>	<b>12,115,771</b>
<b>31. Other expenses:</b>		
a) Advertisement Expenses	391,350	270,756
b) Payment to auditors		
- as auditor	300,000	300,000
- for taxation and other matters	100,000	100,000
- for Certification and limited review	-	-
c) Bank Charges	127,290	200,023
d) Bad Debts Written-Off	5,532	1,132,322
e) Business Promotion Charges	2,415,445	853,088
f) Postage and Communication Expenses	3,532,853	3,599,488
g) Foreign Exchange Loss	-	917,489
h) Hire charges	1,323,108	93,440
i) Insurance	252,092	167,365
j) Listing Fees	642,387	551,595
k) Loss on sale of assets	-	2,142
l) Miscellaneous Expenses	463,600	336,648
m) Office Expenses	1,054,467	927,970
n) Power & Fuel	3,860,085	3,596,768
o) Printing & Stationery	432,883	390,107
p) Professional Fees	5,423,783	9,638,971
q) Rates & Taxes	909,254	741,615
r) Rent	9,710,020	9,559,854
s) Repairs & Maintenance Buildings	1,168,417	1,507,544
t) Repairs & Maintenance Others	3,697,192	8,180,578
u) Security Charges	878,377	838,727
v) Sitting fees	760,000	720,000
w) Travelling & Conveyance	14,570,142	12,199,045
x) Vehicle Maintenance	1,743,133	1,801,459
y) Water charges	130,252	104,025
z) Amortisation of deferred interest on Rent deposit paid	194,748	192,674
aa) Interest Expenses on rent deposits received	532,051	803,930
<b>Total</b>	<b>54,618,462</b>	<b>59,727,623</b>

## Notes to Financial Statements

For the Year ended March 31, 2019

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>32. Additional Information:</b>		
<b>a) Value of Imports calculated on CIF basis:</b>		
i) Purchases of Stock in Trade	3,221,996	3,395,441
ii) Capital goods	-	-
<b>b) Expenditure in foreign currency: (net of withholding tax)</b>		
i) Purchases	3,221,996	3,395,441
ii) Foreign travel	7,279,029	6,241,773
<b>c) Details of non-resident shareholdings</b>		
i) Number of nonresident share holders	151	167
ii) Number of shares held by nonresident shareholders	485,712	247,257
iii) Amount remitted during the year in foreign currency on account of dividends	-	-
<b>d) Earnings in foreign exchange:</b>		
i) Software Exports & Consultancy	242,047,691	210,917,318
<b>33. Earnings per share:</b> (Basic and diluted) Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings per Share":		
<b>(a) Before exceptional item</b>		
Profit for the year after tax expense	1,627,452	4,950,763
Weighted average number of equity shares	12,894,848	12,701,561
Paid up value per share	10.00	10.00
Earnings per share (basic & diluted) (*)	0.13	0.39
<b>(b) After exceptional item</b>		
Profit for the year after tax expense	1,627,452	4,950,763
Add: Preference dividend payable including dividend tax	-	-
<b>Total</b>	<b>1,627,452</b>	<b>4,950,763</b>
Weighted average number of equity shares	12,894,848	12,701,561
Paid up value per share	10.00	10.00
Earnings per share (basic & diluted) (*)	0.13	0.39
(*) Effect of potential equity shares is antidilutive		

## Notes to Financial Statements

For the Year ended March 31, 2019

### 34. DISCLOSURES AS PER IND AS 19 “EMPLOYEE BENEFITS”:

#### (a) Defined Contribution Plan:

Contribution to defined contribution plan are recognized as expense for the year are as under: (Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
Employer’s contribution to provident & pension funds	5,076,697	5,146,186

#### (b) Defined Benefit Plan:

The employees’ gratuity fund scheme and leave encashment are defined benefit plans. The Present value of obligation is determined based on actuarial valuation using the projected unit credit method.

(₹ In lakhs)

1. Reconciliation of opening and closing balances of defined benefit obligation:	March 31, 2019		March 31, 2018	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined Benefit obligation at beginning of the year	109.97	49.14	87.80	47.75
Current Service Cost (*)	33.20	-	41.56	-
Interest Cost	8.23	3.36	6.37	3.46
Actuarial (gain)/ loss	(15.58)	17.18	(23.08)	11.57
Benefits Paid	(5.94)	(10.94)	(2.68)	(13.65)
Defined Benefit obligation at end of the year	129.87	58.73	109.97	49.14
<b>2. Reconciliation of opening and closing balance of fair value of plan assets:</b>				
Fair value of plan assets at beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Employer Contribution	-	-	-	-
Benefits paid	-	-	-	-
Actuarial gain/(loss)	-	-	-	-
Fair value of plan assets at year end	-	-	-	-
Reconciliation of fair value of assets and obligations:				
Fair value of plan assets	-	-	-	-
Present value of obligation	129.87	58.73	109.97	49.14
Amount recognized in Balance Sheet under liabilities:	129.87	58.73	109.97	49.14
<b>Expense recognized during the year: (under “Note 31” “Employee Benefit Expenses” in the Statement of Profit and Loss)</b>				
In Income Statement:				
Current Service Cost	33.20	-	41.56	-
Interest Cost	8.23	3.36	6.37	3.46
Expected return on plan assets	-	-	-	-
<b>In Other Comprehensive Income:</b>				
Actuarial (gain)/ loss	(15.58)	17.18	(23.08)	11.57
Net Cost	25.84	20.54	24.85	15.03
<b>Actuarial assumptions:</b>				
<b>Mortality Table</b>	<b>Indian Assured Lives (2006 -08) (Ultimate)</b>	<b>Indian Assured Lives (2006 -08) (Ultimate)</b>	<b>Indian Assured Lives (2006 -08) (Ultimate)</b>	<b>Indian Assured Lives (2006 -08) (Ultimate)</b>
Discount rate (per annum)	7.55%	7.51%	7.69%	7.69%
Expected rate of return on plan assets (per annum)	7.00%	7.00%	7.00%	7.00%

(\*) Leave provision for current year includes provision for short term compensated absence as assessed by the actuary.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.



## Notes to Financial Statements

For the Year ended March 31, 2019

**(c) Sensitivity Analysis:**

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, has been determined based on possible effect of changes of an assumption occurring at end of the reporting period, while holding all other assumptions constant.

(₹ In lakhs)

Particulars	March 31,2019		March 31,2018	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 1.0%)	135.01	125.07	119.00	102.10
Change in rate of salary increase (delta effect of +/- 1.0%)	125.63	134.39	103.13	117.70
Change in rate of Mortality (delta effect of +/- 0.5%)	129.85	129.89	109.94	109.99
Change in rate of Attrition (delta effect of +/- 0.5%)	129.70	130.03	109.77	110.14

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

**Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan assets.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

## Notes to Financial Statements

For the Year ended March 31, 2019

### 35. SEGMENT REPORTING:

#### Primary Segments

Based on the guiding principles in Indian Accounting Standard on "Segment Reporting" issued by the Institute of Chartered Accountants of India, classification by geographic segment are the primary reportable segments, comprising of:

- i) Export
- ii) Domestic

(₹ In lakhs)		
Particulars	March 31, 2019	March 31, 2018
<b>Revenue:</b>		
Export *	2,420.48	2109.17
Domestic *	161.73	150.82
<b>Net Income from Operations</b>	<b>2,582.21</b>	<b>2259.99</b>
Add: Income from Exceptional Items/Other Income	229.12	463.38
<b>Profit before Depreciation/Tax/Interest/Amortization :</b>		
-from Exports	405.11	79.96
-from Domestic*	(154.48)	(153.36)
Income from Exceptional Items/Other Income	229.12	463.38
<b>Total</b>	<b>479.76</b>	<b>389.98</b>
Less: (1) Interest	137.36	120.68
(2) Other Unallocated Expenses	-	-
(3) Depreciation/Amortization	262.53	121.15
<b>Profit Before Taxation</b>	<b>79.87</b>	<b>148.16</b>

#### Segmental Capital Employed:

Assets and Liabilities contracted have not been identified to any of the reportable segments, as the assets are used interchangeably between segments and it is not practicable to reasonably allocate the liabilities to individual segments. Accordingly no disclosure relating to segments assets and liabilities are made.

### 36. RELATED PARTY TRANSACTIONS:

#### (a) Name of related parties and description of relationship where controls exists:

Sl. No.	Name of the Related Party	Relationship
1	Midrange Software Pte Ltd,Singapore Izmo Inc,USA Izmo Europe,BVBA	Wholly Owned subsidiary
2	Izmo France,SARL	Step down subsidiary
3	Carazoo Online Solutions Private Limited	Associates
4	Mrs. Shashi Soni Mr. Sanjay Soni Mrs. Kiran Soni Mr.Suraj Kumar Sahu	Key Management Personnel and their relatives ("KMP")
5	Aries Gases Private Limited Deep Heritage Deep Oxygen Private Limited,India Deep Investment Advisory Bangalore Private Limited Si2 Microsystems Private Limited,India D'Gipro Design Automation and Marketing Private Limited D'Gipro Systems Private Limited Hughes Precision Manufacturing Pvt Ltd	Enterprises over which key management personnel and their relatives are able to exercise significant influence

## Notes to Financial Statements

For the Year ended March 31, 2019

**(b) Transactions with the related parties**

(₹ in Lakhs)

Particulars	Relationship	Current Year	Previous Year
<b>Purchase of goods and services/Reimbursements:</b>			
Si2 Microsystems Private Limited,India	Enterprises over which KMP and their relatives are able to exercise significant influence	10.28	49.31
<b>Software Sales &amp; Service Exports</b>			
Izmo Inc,USA	Wholly Owned Subsidiary	-	2109.17
Midrange Software Pte Ltd,Singapore	Wholly Owned Subsidiary	-	-
<b>Rental Income</b>			
Si2 Microsystems Private Limited,India	Enterprises over which KMP and their relatives are able to exercise significant influence	36.11	31.09
<b>Remuneration paid:</b>			
Mrs. Shashi Soni	KMP	15.00	15.00
Mr. Sanjay Soni	KMP	60.00	60.00
Mrs. Kiran Soni	KMP	30.00	30.00
Mr.Suraj Kumar Sahu	KMP	6.03	5.62

**(c) Outstanding balances at the end of the year:**

(₹ in Lakhs)

Particulars	Relationship	As at March 31, 2019	As at March 31, 2018
Midrange Software Pte Ltd,Singapore		153.42	146.08
Izmo Inc,USA	Wholly Owned Subsidiary	113.35	2322.64
Izmo Europe,BVBA		-	-
Izmo France,SARL	Step down subsidiary	-	-
Carazoo Online Solutions Private Limited	Associates	-	19.11
Si2 Microsystems Private Limited,India	Enterprises over which key management personnel and their relatives are able to exercise significant influence	42.01	69.40
D'Gipro Design Automation and Marketing Private Limited		155.22	155.23
D'Gipro Systems Private Limited		-	-

**37. OPERATING LEASE (Ind AS 17):**

The Company has various operating leases for office facilities which is renewable on a periodic basis, and cancelable at its option. Rental expenses for operating leases included in the financial statements for the year are Rs. 97,10,020/- (Previous Year Rs. 95,59,854/-).

The details of minimum future rental payable towards non-cancelable lease agreements are as under:

(Amount in Rs.)

Particulars	March 31,2019	March 31,2018
Payable not later than year	9,233,926	10,008,779
Later than one year and not less than five years	42,510,393	45,017,861

## Notes to Financial Statements

For the Year ended March 31, 2019

### 38. Financial risk management objectives and policies:

The entity's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the entity's operations to support its operations. The entity's principal financial assets include trade and other receivables, rental and bank deposits and cash and cash equivalents that are derived directly from its operations.

The entity is exposed to market risk/credit and liquidity risks. The entity's senior management oversee the management of these risks. The board reviews their activities. No significant derivative activities have been undertaken so far.

#### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the positions as at March 31, 2019 and March 31, 2018:

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumption has been made in calculating sensitivity analysis.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018 including the effect of hedge accounting.

#### i. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the some of the vendor payments and customer receivables.

The foreign currency exposures that have not been hedged by any derivative instrument or otherwise as on March 31, 2019 are as under:

Particulars	As at March 31, 2019		As at March 31, 2018	
	FCY	₹ in Lakhs	FCY	₹ in Lakhs
Assets (Receivables)	\$3,623,332.97	2,506.31	\$ 3630873.58 3,192,948.72	2,322.64
Liabilities (Payables)	€ 23,927.03 \$2,085,093.96	1416.83	€ 23,927.03 \$2,053,577.08	1355.02

#### Foreign currency sensitivity:

(Rs. in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Changes in FCY Rate by:		Changes in FCY Rate by:	
	1.00%	-1.00%	1.00%	-1.00%
Effect on Profit before tax	23.42	-23.42	23.42	-23.42

#### ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Company is exposed to credit risk arising from its operating (primarily trade receivables) and investing activities including deposits placed with banks, financial institutions and other corporate deposits. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

## Notes to Financial Statements

For the Year ended March 31, 2019

### 39. Fair Value Measurement ( Ind AS 113):

The Financial Instruments of the Company are initially recorded at fair value and subsequently measured at amortized cost based on the nature and timing of the cash flows.

The below table summarises particulars of Financial Instruments used:

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
Financial Assets at amortized cost:		
Investments	1,600,938,496	1,600,938,496
Trade Receivables	252,612,523	238,660,172
Other Financial Assets	49,810,717	47,101,885
Cash & cash equivalents	489,748	2,438,328
Other Bank Balances	-	-
<b>Total Financial Assets</b>	<b>1,903,851,484</b>	<b>1,889,138,881</b>
Financial Liabilities at amortized cost:		
Borrowings	83,073,213	111,163,217
Other Financial Liabilities	57,205,629	47,656,301
Trade Payables	142,313,429	136,454,046
<b>Total Financial Liabilities</b>	<b>282,592,271</b>	<b>295,273,564</b>

The Company has not classified any Financial Asset or Liabilities as measured at Fair value through Profit and Loss (FVTPL) or measured at Fair Value through Other Comprehensive Income (FVTOCI).

The Fair Value of the above financial assets and liabilities are measured at amortized cost which is considered to be approximate to their fair values:

### 40. Employee Stock-Option Scheme

The Company has issued ESOP scheme under which Stock Options (ESOP), have been granted to employees. The scheme provides for equity / cash settled grants to employees whereby the employees can purchase equity shares by exercising options as vested at the exercise price specified in the grant. The options granted till March 31, 2019 have a vesting period of maximum 3 years from the date of grant.

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

(Amount in Rs.)

SI No	Particulars	March 31, 2019	March 31, 2018
i)	Employee Stock Options Expenses	8,833,871	10,217,995
	<b>Total</b>	<b>8,833,871</b>	<b>10,217,995</b>

### 41. Managerial Remuneration

(Amount in Rs.)

SI No	Particulars	March 31, 2019	March 31, 2018
i)	Salary and allowances	7,068,000	7,068,000
ii)	Contribution to Provident fund	432,000	432,000
	<b>Total</b>	<b>7,500,000</b>	<b>7,500,000</b>

The above amounts do not include Gratuity and Leave encashment benefits as the provisions for these are determined for the Company as a whole and therefore separate amounts for the Directors are not available. Also the above remuneration is excludes certain perquisites and allowances which are directly borne by Company.

Directors remuneration for the current year is sum of Rs.60.00 Lakhs paid to the managing director in accordance with the limits approved by the shareholders at the AGM held on 10th September 2016.

### 42. Commitments

(Amount in Rs.)

SI No	Particulars	March 31, 2019	March 31, 2018
i)	Warranty Costs on Software Sale	Not Quantified	Not Quantified
ii)	On account of Capital expenditure		
	a) Software under development	10,000,000	-
	b) Acquisition of immovable properties	56,200,000	56,200,000

## Notes to Financial Statements

For the Year ended March 31, 2019

### 43. Contingent Liabilities (to the extent of which not provided for)

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
Money for which the company is contingently liable:	-	-
Bank Guarantee*	182,000	2,179,110
*Bank Guarantee issued to Canara Bank, Customer as per terms of contract.		

### Contingent Liabilities with respect to Income tax & Transfer Pricing demands in dispute (to the extent of which not provided for)

Name of the statute	Nature of dues	Demand disputed (Amt.in Rs.)	Amount Paid Under Protest (Amt.in Rs.)	AY	Forum where dispute is pending
Income-tax Act, 1961	Transfer pricing	-	-	2005-06	AO to give effect to the ITAT order
Income-tax Act, 1961	Transfer pricing	12,740,080	-	2009-10	Rectification filed with the AO; Appeal filed with the HC
Income-tax Act, 1961	Transfer pricing	36,750,932	7,000,000	2010-11	Appellate Tribunal
Income-tax Act, 1961	Transfer pricing	30,910,300	-	2011-12	Appellate Tribunal
Income-tax Act, 1961	Income-tax	8,423,520	-	2013-14	CIT(A)
Income-tax Act, 1961	Income-tax and Transfer pricing	51,033,800	10,206,761	2014-15	CIT(A)
Karnataka Value Added Tax Act, 2003	CST	389,511	389,511	FY 2010-11	KAT

### 44. a) Sundry Debtors includes the following amounts in respect of dues from Subsidiaries:

(Rupees in Lakhs.)

Particulars	March 31, 2019		March 31, 2018	
	Closing Balance	Maximum Balance during the year	Closing Balance	Maximum Balance during the year
Izmo Inc.	113.35	2,067.43	2,322.64	2,372.32

b) Sundry Debtors includes a sum of Rs. 7.16 crores of overseas receivables outstanding for over 180 days as at the Balance Sheet date. These overseas receivables are certainly collectible, since we have continuing business relationship based on service agreement entered into. This is getting recovered subsequently during FY 2019-20.

c) Sundry Debtors more than 180 days is computed from the date it is due for payment.

45. Under the Micro, Small and Medium Enterprises Development Act, 2006, which came into force on October 2, 2006, the company is required to make certain disclosure relating to Micro, Small and Small and Medium Enterprises. The company is in the process of compiling and assimilating the relevant information from its suppliers about their coverage under the Act. Since the relevant information is not readily available, no disclosure have been made in the Accounts.

46. The Company has filed appeals before CIT (A) against the Income tax assessment orders passed with transfer pricing adjustments for the AY 2014-15 and also filed its appeal before the Honourable High Court of Karnataka against order of the ITAT for the AY 2009-10 which are pending disposal as on Balance sheet date.

47. Balances of Sundry Debtors, Loans & Advances are subject to reconciliation and confirmation.

48. All figures have been rounded-off to the nearest Rupee. Previous Year's figures have been re-grouped/reclassified wherever necessary to conform to the current year presentation.

For and on behalf of the Board

As per my Report of even date

**Sanjay Soni**  
Managing Director

**Shashi Soni**  
Chairperson

**Kiran Saoni**  
Chief Financial  
Officer

**Suraj Kumar Sahu**  
Company Secretary

**Guru Prakash.V**  
Chartered Accountant  
Membership No. 228938

Place: Bangalore  
Date: 30th May, 2019

# Independent Auditor's Report

## To the Members of Izmo Limited

### Report on the Consolidated Financial Statements

#### Opinion

I have audited the accompanying consolidated financial statements of **Izmo Limited** (herein referred to as 'the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), comprising the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

I have not audited the financial statements / financial information of the subsidiaries incorporated outside India. The Consolidated Financial statements are as furnished and certified by the Management reflecting total net worth of Rs. 197.35 Crores as at 31<sup>st</sup> March 2019 and total revenue from operations of Rs. 92.16 Crores for the year ended. The Financial Statements of subsidiaries incorporated outside India are unaudited and have been certified by the Management.

#### Basis of Opinion

I have conducted my audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. My responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI'), and I have fulfilled my other ethical responsibilities in accordance with the provisions of the Act. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Key audit matters

Key audit matters ('KAM') are those matters that, in my professional judgment, were of most significance in my audit of the Consolidated financial statements of the current period. These matters were addressed in the context of my audit of the Consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

### 1.(a) Adoption of Ind AS 115 – Revenue from Contracts with customers

As described in Note 2A(f) to the Consolidated financial statements, the Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit. The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. The Company adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.

#### 1. (b) Auditor's Response

My audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), which is the new revenue accounting standard, include –

- Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard;
- Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams;
- Evaluated the changes made to IT systems to reflect the changes required in revenue recognition as per the new accounting standard;
- Evaluated the cumulative effect adjustments as at 1 April 2018 for compliance with the new revenue standard; and
- Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.

I have not Audited the Financial Statements of Subsidiaries incorporated outside India and unable to comment on adoption of IND AS 115 with respect to financial statements of subsidiaries incorporated outside India.

# Independent Auditor's Report

## To the Members of Izmo Limited

### 2.(a) Accuracy of revenues and onerous obligations in respect of fixed-price contracts involves critical estimates.

Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. The estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations.

Refer Notes 2A(f) and 23 to the Consolidated Financial Statements.

### 2. (b) Auditor's Response

The Company has majority of Time and Material Contracts, where the revenue is determined based on the Milestones defined in the contracts based on Purchase Order.

I have verified the Contracts with the purchase order and are in line with the requirements.

My audit approach was a combination of test of internal controls and substantive procedures which included the following :

- Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.
- Tested the access and application controls pertaining to time recording, allocation and which prevents unauthorized changes to recording of efforts incurred.
- Selected a sample of contracts and through inspection of evidence of performance of these controls, tested operating effectiveness of the internal controls relating to efforts incurred and estimated.
- Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.

I have not Audited the Financial Statements of Subsidiaries incorporated outside India and unable to comment on Accuracy of revenues and onerous obligations in respect of fixed-price contracts involves critical estimates with respect to financial statements of subsidiaries incorporated outside India.

### 3.(a) Evaluation of uncertain tax positions

The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes Refer Notes 2A(i) & 42 to the Consolidated Financial Statements.

### 3. (b) Auditor's Response

- Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management.
- Read and analysed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions;
- Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and
- Assessed management's estimate of the possible outcome of the disputed cases.

I have not Audited the Financial Statements of Subsidiaries incorporated outside India and unable to comment on Evaluation of uncertain tax positions if any with respect to subsidiaries incorporated outside India.

### 4.(a) Receivables outstanding for more than 6 months & Confirmation of balances

The Company is of the opinion that Receivables are good in nature and will be realized with certainty in the subsequent period.

Refer Notes 10 & 47 to the Consolidated Financial Statements.

### 4. (b) Auditor's Response

- The Company must take necessary steps to receive the money within the timelines and keep receivables under control.
- The Debtors balances are subject to confirmation and reconciliation.

I have not Audited the Financial Statements of Subsidiaries incorporated outside India and unable to comment on Receivables outstanding for more than 6 months & Confirmation of balances with respect to subsidiaries incorporated outside India.

### Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and my auditors' report thereon.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my



## Independent Auditor's Report

### To the Members of Izmo Limited

knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. Consolidated Financial Statements I 109 As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the entity has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If I conclude that a material uncertainty exists, I am required to draw attention in my auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditors' report. However, future events or conditions may cause the Group (Holding company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the audit of financial information of such entities.

I believe that the audit evidence obtained by me is sufficient and appropriate to provide a basis for my audit opinion on the consolidated financial statements.

# Independent Auditor's Report

## To the Members of Izmo Limited

I communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which I am the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

#### 1. As required by Section 143 (3) of the Act, based on my audit, I report that:

- a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit of the aforesaid consolidated financial statements.
- b) In my opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from my examination of those books;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements;
- d) In my opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
- e) On the basis of the written representations received from the directors of the company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being

appointed as a director in terms of Section 164 (2) of the Act;

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to my separate report in "Annexure A" which is based on the auditor's report of the Company and its subsidiary companies incorporated in India. My report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies for the reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in my opinion and to the best of my information and according to the explanations given to me:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

**CA Guru Prakash V**

Chartered Accountant

M. No: 228938

Place: Bangalore

Date: 30<sup>th</sup> May 2019

## Annexure A to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of my report to the Members of **Izmo Limited** of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with my audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, I have audited the internal financial controls over financial reporting of **Izmo Limited** (herein referred to as 'the Company') and its subsidiary companies, which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

My responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained, is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In my opinion and to the best of my information and according to the explanations given to me, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **CA Guru Prakash V**

Chartered Accountant

M. No.: 228938

Place: Bangalore

Date: 30<sup>th</sup> May 2019

# Consolidated Balance Sheet

as at March 31, 2019

(Amount in Rs.)

Particulars		Note No.	As at March 31, 2019	As at March 31, 2018
<b>I.</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
	(a) Property, plant and equipment	3	25,135,790	24,324,129
	(b) Capital work-in-progress	4	30,517,746	19,870,468
	(c) Investment Property	5	20,534,447	21,995,295
	(d) Other Intangible assets	6	1,887,241,063	1,743,412,018
	(e) Deferred tax assets	7	10,503,200	16,689,651
	(f) Other non-current assets	8	60,316,188	47,031,118
	<b>Total Non-current assets</b>		<b>2,034,248,434</b>	<b>1,873,322,678</b>
	<b>Current assets</b>			
	(a) Inventories	9	509,377	52,577
	(b) Financial assets			
	(i) Trade receivables	10	402,763,139	174,812,636
	(ii) Cash and cash equivalents	11	28,118,802	46,985,866
	(iii) Other financial assets	12	208,931,306	181,026,278
	<b>Total Current assets</b>		<b>640,322,624</b>	<b>402,877,357</b>
	<b>TOTAL ASSETS</b>		<b>2,674,571,058</b>	<b>2,276,200,035</b>
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
	Shareholders' funds			
	(a) Share capital	13	130,671,730	128,216,730
	(b) Other equity	14	1,842,849,952	1,764,817,690
	<b>TOTAL EQUITY</b>		<b>1,973,521,682</b>	<b>1,893,034,420</b>
<b>II.</b>	<b>LIABILITIES</b>			
	<b>Non-current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	15	83,073,213	111,163,217
	(ii) Other financial liabilities	16	10,291,550	11,659,472
	(b) Provisions	17	16,474,957	13,880,221
	<b>Total Non current liabilities</b>		<b>109,839,720</b>	<b>136,702,910</b>
	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Trade payables			
	(i) micro and small enterprises, and	18	-	-
	(ii) other than micro and small enterprises	18	351,829,491	80,528,088
	(ii) Other Financial Liabilities	19	500,000	500,000
	(b) Provisions	20	2,385,239	2,029,849
	(c) Other current liabilities	21	232,831,087	159,913,624
	(d) Current Tax Liabilities (Net)	22	3,663,840	3,491,144
	<b>Total Current liabilities</b>		<b>591,209,656</b>	<b>246,462,704</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,674,571,058</b>	<b>2,276,200,035</b>

for and on behalf of the Board

As per my Report of even date

Sanjay Soni

Shashi Soni

Kiran Soni

Suraj Kumar Sahu

Guru Prakash.V

Managing Director

Chairperson

Chief Financial Officer

Company Secretary

Chartered Accountant

Membership No. 228938

Place: Bangalore

Date: 30th May, 2019

**Consolidated Statement of Profit and Loss**

For the year ended March 31, 2019

(Amount in Rs.)

	Particulars	Note No.	Current Year		Previous Year	
I	Revenue from operations	23		921,652,489		629,866,481
II	Other income	24		39,503,978		50,748,282
III	<b>Total Income (I + II)</b>			<b>961,156,467</b>		<b>680,614,764</b>
IV	<b>Expenses:</b>					
	Purchases of stock in trade	25	7,226,472		7,162,443	
	Changes in inventories of finished goods, work in progress and Stock-in-Trade	26	(456,800)		55,237	
				6,769,672		7,217,680
	Employee benefits expense	27		381,594,233		296,129,628
	Finance costs	28		13,798,524		11,867,577
	Depreciation and amortization expense	29		151,694,965		122,560,921
	Other expenses	30		333,299,510		153,336,826
	<b>Total expenses</b>			<b>887,156,904</b>		<b>591,112,631</b>
V	<b>Profit before exceptional items and tax (III-IV)</b>			<b>73,999,563</b>		<b>89,502,132</b>
VI	Exceptional Items	31		-		<b>19,122,348</b>
VII	<b>Profit before tax (V-VI)</b>			<b>73,999,563</b>		<b>70,379,784</b>
VIII	Tax expense:					
	Current tax		3,663,839		3,453,772	
	MAT Credit		(3,491,143)		-	
	Deferred tax		6,186,451	<b>6,359,147</b>	6,410,682	<b>9,864,454</b>
IX	Profit for the year from continuing operations (VII - VIII)			<b>67,640,416</b>		<b>60,515,330</b>
X	Profit/(loss) from discontinuing operations			-		-
XI	Tax expense of discontinuing operations			-		-
XII	Profit/(loss) from discontinuing operations (after tax) (X-XI)			-		-
XIII	<b>Profit for the year</b>			<b>67,640,416</b>		<b>60,515,330</b>
XIV	<b>Other comprehensive income</b>					
	<b>(i) Items that will not be reclassified to profit or loss</b>					
	a) Remeasurements of the defined benefit plans		1,557,974		2,307,586	
	b) Taxes on above		-		-	
	<b>(ii) Items that may be reclassified to profit or loss</b>					
	a) Mark to Market of Investments		-		-	
	b) Taxes on above		-	<b>1,557,974</b>	-	<b>2,307,586</b>
XV	<b>Total Comprehensive Income for the year (XIII + XIV)</b>			<b>69,198,390</b>		<b>62,822,916</b>
XVI	Earning per equity share before exceptional item:	33		5.25		6.27
	Basic & diluted (in ₹)					
	Earning per equity share after exceptional item:	33		5.25		4.76
	Basic & diluted (in ₹)					
	(Paid up value per share)			10.00		10.00
	<b>Significant accounting policies and notes attached form an integral part of the financial statements</b>					

for and on behalf of the Board

As per my Report of even date

**Sanjay Soni**  
Managing Director

**Shashi Soni**  
Chairperson

**Kiran Soni**  
Chief Financial Officer

**Suraj Kumar Sahu**  
Company Secretary

**Guru Prakash.V**  
Chartered Accountant  
Membership No. 228938

Place: Bangalore  
Date: 30th May, 2019

# Consolidated Cash Flow Statement

For the year ended March 31, 2019

(Amount in Rs.)

	Particulars	March 31, 2019	March 31, 2018
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	<b>Net Profit Before Taxation</b>	75,557,537	72,687,370
	Adjustments for:		
	Depreciation	151,694,965	122,560,921
	Interest Expense	13,798,524	11,867,577
	Interest Income	(52,512)	(318,000)
	Profit / Loss on short term investments, includes dividend income(net of related expenses)	-	-
	Rental Income	(8,361,074)	(9,224,929)
	Long term/ Short term capital gain on redemption of mutual funds	-	(24,769,826)
	Profit on Sale of Assets	-	(145,315)
	Employee stock option expenses	8,833,871	10,217,995
	Changes in fair value of financial assets at fair value through profit / loss	726,799	996,604
	Amortisation of deferred interest income on Rent deposit received	(499,973)	(807,508)
	Interest income on rent deposits paid	(234,488)	(207,658)
	<b>Operating Profit Before Working Capital Changes</b>	<b>241,463,649</b>	<b>182,857,231</b>
	Movements in Working Capital :		
	(Increase)/Decrease in Trade Receivables	(227,950,503)	(47,630,732)
	(Increase)/Decrease in Inventories	(456,800)	55,237
	(Increase)/Decrease in short term Loans and Advances	(41,150,358)	(7,878,147)
	Increase/(Decrease) in Current Liabilities and Provisions	345,941,688	130,593,225
	<b>Cash Generated from Operations</b>	<b>317,847,675</b>	<b>257,996,815</b>
	Direct Taxes paid (Net of Refunds)	(3,663,839)	(3,453,772)
	MAT Credit	3,491,143	-
	<b>Net cash from Operating Activities</b>	<b>317,674,979</b>	<b>254,543,043</b>
<b>B.</b>	<b>Cash Flows from Investing Activities</b>		
	Purchase of Fixed Assets	(295,149,460)	(276,250,830)
	Capital Work-in-Progress	(10,647,278)	32,777,117
	Proceeds from Sale of Fixed Assets	274,636	487,957
	Sale proceeds from short term investments, includes dividend income(net of related expenses)	-	103,928,496
	Rental Income	8,361,074	9,224,929
	Interest Received	52,512	318,000
	<b>Net cash used in Investing Activities</b>	<b>(297,108,515)</b>	<b>(129,514,332)</b>
<b>C.</b>	<b>Cash Flows from Financing Activities</b>		
	Repayment of Long Term Borrowings	(28,090,004)	(126,267,152)
	Conversion of Long Term Borrowings into Equity share capital	-	31,200,000
	Proceeds from issue of equity share capital (net of expenses)	2,455,000	594,000
	Interest paid	(13,798,524)	(11,867,577)
	<b>Net Cash used in Financing Activities</b>	<b>(39,433,528)</b>	<b>(106,340,729)</b>
	<b>Net increase in Cash and Cash Equivalents (A + B + C)</b>	<b>(18,867,064)</b>	<b>18,687,982</b>
	<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>46,985,866</b>	<b>28,297,884</b>
	<b>Cash and Cash Equivalents at the End of the Year</b>	<b>28,118,802</b>	<b>46,985,866</b>
	<b>Components of Cash and Cash Equivalents</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	Balances with Scheduled Banks		
	- In Other accounts	28,041,277	46,913,253
	Cash on Hand	77,525	72,613
		<b>28,118,802</b>	<b>46,985,866</b>

for and on behalf of the Board

As per my Report of even date

**Sanjay Soni**  
Managing Director

**Shashi Soni**  
Chairperson

**Kiran Soni**  
Chief Financial Officer

**Suraj Kumar Sahu**  
Company Secretary

**Guru Prakash.V**  
Chartered Accountant  
Membership No. 228938

Place: Bangalore  
Date: 30th May, 2019

# Notes to Consolidated Financial Statements

For the year ended March 31, 2019

## 1. BACKGROUND:

IZMO LIMITED ("the Group") consists of companies operating in India, Europe, United States, Singapore and France. The group is engaged in interactive marketing solutions. The company offers hi-tech automotive e-retailing solutions.

## 2A. SIGNIFICANT ACCOUNTING POLICIES:

### a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

These consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with Accounting Standards ("AS") specified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules as amended from time to time. The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated Financial Statement represents the consolidated Accounts of Izmo Limited with its subsidiaries as detailed below:

SI No	Name	Country	"Ownership/Control"
1	Midrange Software Pte Ltd	Singapore	100%
2	Izmo Inc	USA	100%
3	Izmo Europe BVBA	Belgium	100% *
4	Izmo France SARL (Subsidiary of Midrange Software Pte.Ltd)	France	100%
5	Frog Data (Subsidiary of Izmo Inc Group, USA)	USA	100%

\*Izmo Ltd along with its US subsidiary Izmo Inc, is holding 100% shareholding of Izmo Europe BVBA.

The financial statements of subsidiaries used in the consolidated are drawn up to the same reporting date as that of the parent company i.e., year ended 31.03.2019.

The financial statements of the Indian company are prepared in accordance with the Indian Accounting Standards followed in India. The financial statements of the subsidiary in Singapore are prepared in accordance with the Singapore Statement of Accounting Standards. The financial statements of the US subsidiaries are

prepared in accordance with the accounting practices in the US. The financial statements of the subsidiary in Belgium are prepared in accordance with the accounting practices in Belgium. The effect of adoption of non-uniform accounting policies/practices has not been quantified.

Differences arising on account of change in the financial statement of the subsidiary for previous period, consequent to their finalization, as compared to the figure previously adopted for the purpose of consolidation are treated as a prior period item and related adjustments are carried out where necessary.

### b) USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Company to make estimates and assumptions that affect certain reported balances of assets and liabilities, disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Accordingly, future results could differ due to changes in these estimates and the difference between the actual result and the estimate are recognized in the period in which the results are known / materialize.

### c) PROPERTY, PLANT AND EQUIPMENT:

#### (i) Tangible assets:

Property Plant and Equipment (PPE) and other tangible assets are stated at cost of acquisition inclusive of freight, duties, taxes and incidental expenses relating to the acquisition, installation, erection and commissioning less depreciation. Internally manufactured assets are valued at works cost. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are recognized in the Statement of Profit & Loss while incurred. Spare parts whose life has more than 12 month has been considered as PPE and capitalized by the company.

#### (ii) Intangible assets:

Intangible assets are accounted at cost of acquisition less depreciation /amortization.

#### (iii) Depreciation & Amortization:

- a. Depreciation on PPE bought/sold during the year is charged on straight line method as per the useful life in Schedule II of Act, depending upon the month of the financial year in which the assets are installed/sold. For the assets acquired prior to April 1, 2014 the carrying amount as on April 1, 2014 is depreciated on over the remaining useful life as defined in

# Notes to Consolidated Financial Statements

For the year ended March 31, 2019

Schedule II of the Act.

- b. Intangible assets are amortized over a period of 2-5 years

#### (iv) Investment Property

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Company, are classified as investment property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to investment properties are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Investment properties are depreciated using the straight line method over the useful lives and is recognised in the statement of profit and loss. Depreciable investment properties have been ascribed a useful life in the range of 30 years.

#### d. INVESTMENTS:

- (i) Investments unless otherwise stated are considered as long term in nature and are valued at acquisition cost less provision for diminution, if any other than those which are considered as temporary in nature.
- (ii) Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

#### e. INVENTORIES:

- (i) Inventories does not include spare parts ,servicing equipment and stand by equipment which meet definition of PPE as per AS-10 (revised) .
- (ii) Raw materials, stores, spare parts and components are valued at cost on weighted average basis or net realizable value whichever is lower.
- (iii) Work in progress is valued at works cost or net realizable value whichever is lower.
- (iv) Finished goods are valued at works cost or net realizable value whichever is lower.
- (v) Material cost of work in progress and finished goods are computed on weighted average basis.

#### f. REVENUE RECOGNITION:

Revenue is recognized to an extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- (i) "Revenue from Contract with Customer:

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations may be satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method. A liability is recognised for expected sale returns and corresponding assets are recognised for the products expected to be returned. The Company recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Company expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer."

- (ii) Interest income is recognized on time proportion basis.
- (iii) Dividend income is recognized, when the right to receive the dividend is established.
- (iv) Rental income is recognized on time proportion basis.

#### g. EMPLOYEE BENEFITS:

##### (i) Short term employee benefits:

Employee benefits payable wholly within twelve months of rendering the service are classified as short term. Benefits such as salaries, bonus, leave travel allowance etc. are recognized in the period in which the employee renders the related service.

##### (ii) Post employment benefits:

###### a. Defined contribution plans:

The Company has contributed to provident and pension which are defined contribution plans. The contributions paid/ payable under the scheme are recognized during the year in which employee renders the related service.

###### b. Defined benefit plans:



## Notes to Consolidated Financial Statements

For the year ended March 31, 2019

Employees' gratuity is defined benefit plan. The present value of the obligation under such plan is determined based on actuarial valuation using the Projected Unit Credit Method which considers each year of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains and losses are recognized in the statement of other comprehensive income in the year they arise. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields as at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms that matches to the defined benefit obligation.

**c. Compensated Absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognized in the statement of profit and loss in the year in which they arise.

**(ii) Share Based Payments:**

Share-based compensation benefits are provided to employees via the IZMO Limited Employee Stock Option Plan

The fair value of options granted under the Employees' Stock Option Scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or

holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

**h. FOREIGN CURRENCY TRANSACTIONS:**

- (i) Foreign currency transactions are translated into rupees at the exchange rate prevailing on the date of the transaction / rates that approximate the actual rates as at that date.
- (ii) Monetary foreign currency assets and liabilities outstanding as at the year-end are restated at the exchange rates prevailing as at the close of the financial year. All exchange differences are accounted for in the statement of profit and loss.
- (iii) Non monetary items denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction.
- (iv) The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - assets and liabilities are translated at the closing rate at the date of that balance sheet
  - Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction), and
  - All resulting exchange differences are recognised in the the statement of comprehensive income
  - Goodwill and fair value adjustments arising on the acquisition of a foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rate.

**i. TAXES ON INCOME:**

Provision for Income-tax of the company has been made at the higher of that on the assessable income or on basis of section 115 JB of the Income Tax Act, 1961 after taking cognizance of excess / short provision in prior years. Deferred tax is recognized subject to consideration of prudence, on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax

# Notes to Consolidated Financial Statements

For the year ended March 31, 2019

charge or credit is recognized using current tax rates. Deferred tax assets / liabilities are reviewed as at each Balance sheet date.

In terms of the Guidance note on accounting for credit available in respect of Minimum Alternative Tax (MAT) under the Income Tax Act 1961, issued by the ICAI, the excess of MAT over normal current tax payable has been recognized as an asset by way of credit to the profit & loss account as "MAT credit entitlement"

## j. BORROWING COSTS:

Interest and other borrowing costs on specific borrowings relating to qualifying assets are capitalized up to the date such assets are ready for use / intended to use. Other interest and borrowing costs are charged to the statement of profit and loss.

## k. PROVISIONS AND CONTINGENT LIABILITIES:

- (i) A provision is recognized when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits, decommissioning and site restoration cost) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- (ii) Financial effect of contingent liabilities is disclosed based on information available upto the date on which financial statements are approved. However, where a reasonable estimate of financial effect cannot be made, suitable disclosures are made with regard to this fact and the existence and nature of the contingent liability.

## l. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares during the period. For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to the equity share holders and weighted average number of shares outstanding during the period are adjusted for the effects of all potential dilutive equity shares.

## m. FINANCIAL INSTRUMENTS:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss)

are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

### (i) Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash and deposit with banks. The company considers all highly liquid investments including demand deposits with bank with an original maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

### (ii) Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### (iii) Financial assets at fair value through other comprehensive income (FVTOCI)

All equity investments and unquoted debentures are measured at fair values. Investments which are not held for trading purposes and where the Company has exercised the option to classify the investment as at fair value through other comprehensive income, all fair value changes on the investment are recognised in OCI. The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments.

"Financial assets at fair value through profit or loss (FVTPL)

Financial assets which are not classified in any of the categories above are fair value through profit or loss."

### (iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## n. IMPAIRMENT:

### (i) Financial Assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing

## Notes to Consolidated Financial Statements

For the year ended March 31, 2019

transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### (ii) Non Financial Assets:

A non financial asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss, if any, is charged to statement of profit and loss, in the year in which an asset is identified as impaired.

### o. LEASES:

#### (i) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under an operating leases are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the period of lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

#### (ii) Finance leases

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other financial liabilities. Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liabilities included in Non-current liabilities. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

### p. SEGMENT REPORTING:

Segments are identified based on the manner in which the Company's Chief Operating Decision Maker ("CODM") decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

### 2B. Recent Accounting Pronouncements

Changes in Accounting Standard and recent accounting pronouncements. On March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Company is currently evaluating the implication of Ind AS 116 on the financial statements. The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatment
2. Ind AS 12, Income Taxes - Accounting for Dividend Distribution Taxes.
3. Ind AS 23, Borrowing costs
4. Ind AS 28 – investment in associates and joint ventures
5. Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements
6. Ind AS 109 – Financial instruments
7. Ind AS 19 – Employee benefits

The Company is in the process of evaluating the impact of such amendments

# Notes to Consolidated Financial Statements

For the year ended March 31, 2019

## 3. Property plant and equipment: Tangible assets

(Amount in Rs.)

Particulars	Lanzd	Computers	Plant & Machinery	Office equipments	Electrical Installations	Furniture and fittings	Leasehold Improvements	Motor vehicles	Total
<b>Gross block:</b>									
<b>Balance as at 01 April 2017</b>	<b>4,674,279</b>	<b>53,128,424</b>	<b>7,051,808</b>	<b>81,412,433</b>	<b>9,020,679</b>	<b>11,479,034</b>	<b>17,290,093</b>	<b>12,927,953</b>	<b>196,984,703</b>
Additions	-	2,426,204	-	697,564	122,766	604,126	-	3,884,829	7,735,489
Disposals	-	454,182	-	-	-	-	-	1,391,687	1,845,869
<b>Balance as at 31 March 2018</b>	<b>4,674,279</b>	<b>55,100,446</b>	<b>7,051,808</b>	<b>82,109,997</b>	<b>9,143,445</b>	<b>12,083,160</b>	<b>17,290,093</b>	<b>15,421,095</b>	<b>202,874,323</b>
Additions	-	1,846,967	-	1,614,727	224,070	3,068,607	-	3,614,646	10,369,017
Disposals	-	262,366	-	-	-	-	-	12,270	274,636
<b>Balance as at 31 March 2019</b>	<b>4,674,279</b>	<b>56,685,047</b>	<b>7,051,808</b>	<b>83,724,724</b>	<b>9,367,515</b>	<b>15,151,767</b>	<b>17,290,093</b>	<b>19,023,471</b>	<b>212,968,704</b>
<b>Accumulated depreciation:</b>									
<b>Balance as at 01 April 2017</b>	-	<b>45,297,262</b>	<b>6,914,388</b>	<b>74,218,806</b>	<b>6,358,842</b>	<b>9,100,456</b>	<b>15,625,875</b>	<b>10,756,751</b>	<b>168,272,380</b>
Depreciation charge for the year	-	4,669,102	37,589	4,308,960	483,180	652,277	1,052,711	577,223	11,781,041
Disposals	-	431,079	-	-	-	-	-	1,072,148	1,503,227
<b>Balance as at 31 March 2018</b>	-	<b>49,535,285</b>	<b>6,951,977</b>	<b>78,527,766</b>	<b>6,842,022</b>	<b>9,752,733</b>	<b>16,678,586</b>	<b>10,261,826</b>	<b>178,550,194</b>
Depreciation charge for the year	-	3,598,212	14,866	3,098,965	436,489	597,314	382,268	1,154,606	9,282,721
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	-	<b>53,133,496</b>	<b>6,966,843</b>	<b>81,626,731</b>	<b>7,278,511</b>	<b>10,350,047</b>	<b>17,060,854</b>	<b>11,416,432</b>	<b>187,832,914</b>
<b>Net block:</b>									
Balance as at 31 March 2018	4,674,279	5,565,161	99,831	3,582,231	2,301,423	2,330,427	611,507	5,159,269	24,324,129
<b>Balance as at 31 March 2019</b>	<b>4,674,279</b>	<b>3,551,550</b>	<b>84,965</b>	<b>2,097,993</b>	<b>2,089,004</b>	<b>4,801,720</b>	<b>229,239</b>	<b>7,607,039</b>	<b>25,135,790</b>

### Additional information:

- 1) Management has determined that there are no significant parts of assets whose useful life is different from that of the principal asset to which it relates to in terms of Note 4 Schedule II to the Companies Act, 2013. Accordingly, useful life of assets have been determined for the overall asset and not for its individual components.

## Notes to Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in Rs.)

	Particulars	As at March 31, 2019	As at March 31, 2018
<b>4.</b>	<b>Intangible Assets under development:</b>		
	a) Software	30,517,746	19,870,468
	<b>Total</b>	<b>30,517,746</b>	<b>19,870,468</b>

### 5. Investment Property

(Amount in Rs.)

Gross block	Building
Balance as at 01 April 2017	61,484,949
Additions	-
Balance as at 31 March 2018	61,484,949
Additions	-
<b>Balance as at 31 March 2019</b>	<b>61,484,949</b>
<b>Accumulated depreciation:</b>	
Balance as at 01 April 2017	37,038,897
Amortisation charge for the year	2,450,757
Balance as at 31 March 2018	39,489,654
Amortisation charge for the year	1,460,848
<b>Balance as at 31 March 2019</b>	<b>40,950,502</b>
<b>Net block:</b>	
Balance as at 31 March 2018	21,995,295
<b>Balance as at 31 March 2019</b>	<b>20,534,447</b>

Fair market value of Building at Rs. 27,65,73,000/- have been arrived at on the basis of valuations carried out by the Company internally on the basis of market value of building as on the respective dates.

### 6. Other Intangible Assets

(Amount in Rs.)

Gross block:	Computer software	Technical Know-how	Intellectual property	Misc Expenditure	Total
Balance as at 01 April 2017	72,748,308	2,298,977,779	217,427,487	30,701,226	2,619,854,800
Additions	153,385,617	115,129,724	-	-	268,515,341
Balance as at 31 March 2018	226,133,925	2,414,107,503	217,427,487	30,701,226	2,888,370,141
Additions	67,709,084	217,071,358	-	-	284,780,442
<b>Balance as at 31 March 2019</b>	<b>293,843,010</b>	<b>2,631,178,861</b>	<b>217,427,487</b>	<b>30,701,226</b>	<b>3,173,150,584</b>
<b>Accumulated amortisation:</b>					
Balance as at 01 April 2017	71,716,609	716,783,679	217,427,487	30,701,226	1,036,629,001
Amortisation charge for the year	63,122,519	45,206,603	-	-	108,329,123
Balance as at 31 March 2018	134,839,128	761,990,282	217,427,487	30,701,226	1,144,958,124
Amortisation charge for the year	79,254,632	61,696,765	-	-	140,951,397
<b>Balance as at 31 March 2019</b>	<b>214,093,760</b>	<b>823,687,047</b>	<b>217,427,487</b>	<b>30,701,226</b>	<b>1,285,909,521</b>
<b>Net block:</b>					
Balance as at 31 March 2018	91,294,797	1,652,117,221	-	-	1,743,412,018
<b>Balance as at 31 March 2019</b>	<b>79,749,249</b>	<b>1,807,491,814</b>	<b>-</b>	<b>-</b>	<b>1,887,241,063</b>

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2019

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>7. Deferred tax Assets (Net):</b>		
<b>a) Deferred tax liability:</b>		
i) On account of depreciation on fixed assets ( other than land)	-	-
ii) On account of fair valuation of investments	-	-
<b>Total</b>	-	-
<b>b) Deferred tax asset:</b>		
i) On account of depreciation on fixed assets (other than land)	10,503,200	16,689,651
ii) On account of timing differences in recognition of expenditure		-
<b>Total</b>	<b>10,503,200</b>	<b>16,689,651</b>
<b>Net Deferred tax (liability)/asset</b>	<b>10,503,200</b>	<b>16,689,651</b>
<b>8. Other non current assets:</b>		
(unsecured and considered good)		
a) Balances with revenue authorities	18,641,521	9,008,738
b) Advance payment of tax (net)	17,663,148	13,772,913
c) Capital advances	11,725,000	11,725,000
d) Security deposits	10,085,537	10,245,303
e) Security deposits- Others	1,815,793	1,698,202
f) Deferred Income - Rental Deposit	385,188	580,961
	<b>60,316,188</b>	<b>47,031,118</b>
Less: Allowance for bad and doubtful receivables	-	-
<b>Total</b>	<b>60,316,188</b>	<b>47,031,118</b>

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2019

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>9. Inventories:</b>		
a) Finished goods	509,377	52,577
<b>Total</b>	<b>509,377</b>	<b>52,577</b>
<b>10. Trade receivables:</b>		
a) Trade receivables exceeding six months	62,263,701	12,122,669
b) others	340,499,438	162,689,967
<b>Total</b>	<b>402,763,139</b>	<b>174,812,636</b>
Less: Allowance for doubtful receivables exceeding six months	-	-
<b>Total</b>	<b>402,763,139</b>	<b>174,812,636</b>
<b>Additional information:</b>		
1) Breakup of above:		
a) Secured, considered good	-	-
b) Unsecured, considered good	402,763,139	174,812,636
c) Doubtful	-	-
<b>Total</b>	<b>402,763,139</b>	<b>174,812,636</b>
Less: Allowance for doubtful receivables exceeding six months	-	-
<b>Total</b>	<b>402,763,139</b>	<b>174,812,636</b>
2) a) Debts due by directors or other officers of the company	-	-
b) Amounts due by private companies in which directors of the Company are directors	-	-
<b>11. Cash and Cash Equivalents:</b>		
a) Balances with banks		
- in other accounts	28,041,277	46,913,253
b) Cash on hand	77,525	72,613
<b>Total</b>	<b>28,118,802</b>	<b>46,985,866</b>
<b>12. Other Financial Assets:</b>		
a) Loans and advances	160,493,948	129,311,074
b) Others	48,437,358	51,715,204
<b>Total</b>	<b>208,931,306</b>	<b>181,026,278</b>
Less: Allowance for doubtful advances for advance paid to suppliers and others	-	-
<b>Total</b>	<b>208,931,306</b>	<b>181,026,278</b>
<b>Additional information:</b>		
1) Breakup of above:		
a) Secured, considered good	-	-
b) Unsecured, considered good	208,931,306	181,026,278
c) Doubtful	-	-
<b>Total</b>	<b>208,931,306</b>	<b>181,026,278</b>
Less: Allowance for doubtful advances for advance paid to suppliers and others	-	-
<b>Total</b>	<b>208,931,306</b>	<b>181,026,278</b>
2) a) Debts due by directors or other officers of the company	-	-
b) Amounts due by private companies in which directors of the Company are directors	15,522,336	15,522,336

## Notes to Consolidated Financial Statements

For the year ended March 31, 2019

(Amount in Rs.)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	Amt in Rs.	Nos.	Amt in Rs.
<b>13. Share capital:</b>				
Authorized: (*)				
Equity shares of Rs. 10/- each	18,000,000	180,000,000	18,000,000	180,000,000
	<b>18,000,000</b>	<b>180,000,000</b>	<b>18,000,000</b>	<b>180,000,000</b>
Issued, subscribed and fully paid up:				
Equity shares of Rs.10/- each				
At the beginning of the year	12,821,673	128,216,730	12,162,273	121,622,730
Issued during the year				
- by way of conversion of loan into fully paid up equity shares	-	-	600,000	6,000,000
- by way of Employee Stock Options	245,500	2,455,000	59,400	594,000
At the end of the year	<b>13,067,173</b>	<b>130,671,730</b>	<b>12,821,673</b>	<b>128,216,730</b>
<b>Total carried to Balance Sheet</b>		<b>130,671,730</b>		<b>128,216,730</b>

**a) Particulars of equity share holders holding more than 5% of the total number of equity share capital:**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	Percentage	Number	Percentage
(i) Sanjay Soni	2,764,613	21.16%	2,803,010	21.86%
(ii) Shashi Soni	687,787	5.26%	687,787	5.36%

**b) Equity shares allotted as fully paid-up (during 5 years preceding March 31, 2019) pursuant to contracts without payment being received in cash**

Particulars	As at March 31, 2019	As at March 31, 2018
Shares issued upon conversion of borrowings ( No. of Shares)	-	600,000



# Notes to Consolidated Financial Statements

For the year ended March 31, 2019

## Note : 14. Other Equity

(Amount in Rs.)

Particulars	Other Equity					Other Comprehensive Income			Total Other equity
						Items that will be reclassified to profit or loss	Items that will not be reclassified to profit or loss		
	Share premium	General Reserve	Retained earnings	ESOP outstanding Account	Total (A)	Mark to Market of Investment	Actuarial gains/ (losses) of employee benefits	Total(B)	
<b>As at April 01 2017</b>	<b>1,450,252,330</b>	<b>6,339,532</b>	<b>204,071,276</b>	<b>4,703,787</b>	<b>1,665,366,925</b>	<b>16,501,269</b>	<b>1,209,854</b>	<b>17,711,123</b>	<b>1,683,078,048</b>
Add/(Less): Profit for the year	-	-	60,515,330	-	60,515,330	-	-	-	60,515,330
Add/(Less): On account of new issue	25,200,000	-	-	-	25,200,000	-	-	-	25,200,000
Add/(Less): On account of ESOP	2,487,390	-	-	-	-	-	-	-	-
Add/(Less): Ind AS adjustments	-	-	(21,166,871)	10,217,995	(10,948,876)	-	-	2,307,586	(8,641,290)
Less: Tax Adjustment on Ind AS items	-	-	4,665,602	-	4,665,602	-	-	-	4,665,602
<b>Total as at March 31 2018</b>	<b>1,477,939,720</b>	<b>6,339,532</b>	<b>248,085,337</b>	<b>12,434,392</b>	<b>1,744,798,981</b>	<b>16,501,269</b>	<b>3,517,440</b>	<b>20,018,709</b>	<b>1,764,817,690</b>
Add/(Less): Profit for the year	-	-	67,640,416	-	67,640,416	-	-	-	67,640,416
Add/(Less): On account of new issue	-	-	-	-	-	-	-	-	-
Add/(Less): On account of ESOP	11,534,900	-	-	(11,534,900)	-	-	-	-	-
Add/(Less): Ind AS adjustments *	-	-	16501269	8,833,871	25,335,140	(16,501,269)	1,557,974	(14,943,295)	10,391,845
Less: Tax Adjustment on Ind AS items	-	-	-	-	-	-	-	-	-
<b>Total as at March 31 2019</b>	<b>1,489,474,620</b>	<b>6,339,532</b>	<b>332,227,023</b>	<b>9,733,363</b>	<b>1,837,774,538</b>	<b>-</b>	<b>5,075,414</b>	<b>5,075,414</b>	<b>1,842,849,952</b>

\* Ind-AS Reclassification

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2019

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non- Current Liabilities</b>		
<b>15. Borrowings:</b>		
<b>I) Secured loans:</b>		
a. Loan from Banks/Financial institutions	114,012,217	131,900,405
Less: Current maturities on loan from banks	30,939,004	20,737,188
	<b>83,073,213</b>	<b>111,163,217</b>
<b>II) Unsecured loans:</b>		
a) Deferred Payment Liabilities	-	-
Less: Current maturities	-	-
<b>Total Borrowings (1 + 2)</b>	<b>83,073,213</b>	<b>111,163,217</b>
<b>Additional information:</b>		
<b>1) Details of security for secured loans:</b>		
Vehicle Loan from bank / financial institution secured against the hypothecatio of the respective vehicles purchased		
Term loan from Financial Institution is secured against immovable property and second charge on moveable assets and personal guarantee by Promoter Directors.		
<b>2) Terms of repayment of term loans and others</b>		
<b>From Bank:</b>		
i) Vehicle loan from bank/financial institution carries interest of 10.50% / 9.06% / 8.93%per annum and repayable in 60 equal monthly instalments.		
ii) Term Loan carries floating interest rate linked to SBI -3 year MCLR rate.		
<b>3) Period and amount of continuing default as on Balance sheet date</b>		
i) In respect of Loan repayment and Interest:		
<b>Particulars</b>	<b>Amt. in Rs.</b>	<b>Amt. in Rs.</b>
Term Loans		
- from Banks	-	-
- from Banks	-	-

## Notes to Consolidated Financial Statements

### For the Year ended March 31, 2019

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non - Current Liabilities</b>		
<b>16. Other Financial Liabilities:</b>		
a) Refundable Security deposits from Lessee	10,291,550	11,159,499
b) Deferred Rental expense	-	499,973
<b>Total</b>	<b>10,291,550</b>	<b>11,659,472</b>
<b>17. Provisions:</b>		
a) For employee defined benefit plans	11,336,264	9,530,363
b) For employee compensatory absences	5,138,693	4,349,858
<b>Total</b>	<b>16,474,957</b>	<b>13,880,221</b>

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current Liabilities</b>		
<b>18. Trade payables:</b>		
a) <b>Total outstanding dues of micro and small enterprises</b> Trade payables	-	-
b) <b>Total outstanding dues of creditors other than micro and small enterprises</b> Trade payables	351,829,491	80,528,088
<b>Total</b>	<b>351,829,491</b>	<b>80,528,088</b>

**Additional Information:**

The details of amounts outstanding to Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Sl No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Also refer Note No. 43 in this regard.			
<b>19. Other Financial Liabilities:</b>			
a) Advance from customers	-	-	
b) Others	500,000	500,000	
<b>Total</b>	<b>500,000</b>	<b>500,000</b>	

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2019

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>20. Provisions:</b>		
a) Provision for short term compensated absences	734,619	563,646
b) Provision for Gratuity	1,650,620	1,466,203
<b>Total</b>	<b>2,385,239</b>	<b>2,029,849</b>
<b>21. Other current liabilities:</b>		
a) Current maturities of secured loan from bank	30,939,004	20,737,188
b) Accrued Expenses and other liabilities	104,465,995	62,229,393
c) Statutory Dues	12,408,040	11,611,618
d) Deferred Income	85,018,048	65,335,425
<b>Total</b>	<b>232,831,087</b>	<b>159,913,624</b>
<b>22. Current Tax Liabilities (Net):</b>		
a) Provision for tax (net of advance tax outside India)	3,663,840	3,491,144
<b>Total</b>	<b>3,663,840</b>	<b>3,491,144</b>
<b>23. Revenue from operations:</b>		
a) Software Sales & Services:		
- Domestic	16,173,039	15,082,387
- Exports	905,479,450	614,784,094
<b>Total</b>	<b>921,652,489</b>	<b>629,866,481</b>
<b>24. Other income:</b>		
a) Interest Income	52,512	318,000
b) Maintenance Charges Income	2,229,739	2,733,735
c) Miscellaneous Income	11,923,962	8,131,472
d) Profit on sale of Assets	-	145,315
e) Profit on sale of Mutual Funds	-	24,769,826
f) Rental Income	8,361,074	9,224,929
g) Exchange fluctuation gain	16,202,230	4,409,839
h) Interest income on rent deposits paid	234,488	207,658
i) Amortisation of deferred interest income on Rent deposit received	499,973	807,508
<b>Total</b>	<b>39,503,978</b>	<b>50,748,282</b>
<b>25. Cost of Purchase:</b>		
a) Cost of Purchase for Resale	7,226,472	7,056,854
b) Custom Duty	-	105,589
<b>Total</b>	<b>7,226,472</b>	<b>7,162,443</b>
<b>26. Changes in inventories of stock in trade:</b>		
Stocks at the end of the year		
a) Trading goods		
Stock in Trade	509,377	52,577
<b>Total</b>	<b>509,377</b>	<b>52,577</b>
Less: Stocks at the beginning of the year		
a) Trading goods		
Stock in Trade	52,577	107,814
<b>Total</b>	<b>52,577</b>	<b>107,814</b>
<b>Total</b>	<b>(4,56,800)</b>	<b>55,237</b>

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2019

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>27. Employee benefit expenses:</b>		
a) Salaries, wages and bonus	365,273,553	276,993,373
b) Contribution to provident and other funds	5,076,697	5,146,186
c) Employee stock option expenses	8,833,871	10,217,995
d) Staff welfare expenses	852,138	1,464,488
e) Reclassification of Actuarial gains/ losses	1,557,974	2,307,586
<b>Total</b>	<b>381,594,233</b>	<b>296,129,628</b>
<b>28. Finance costs:</b>		
a) Interest expense	13,798,524	11,867,577
b) Other borrowing costs	-	-
<b>Total</b>	<b>13,798,524</b>	<b>11,867,577</b>
<b>29. Depreciation and amortization:</b>		
a) Depreciation	10,743,568	14,231,798
b) Amortization of intangible assets	140,951,397	108,329,123
<b>Total</b>	<b>151,694,965</b>	<b>122,560,921</b>
<b>30. Other expenses:</b>		
a) Advertisement Expenses	2,567,683	270,756
b) Payment to auditors		
- as auditor	300,000	300,000
- for taxation matters	100,000	100,000
- for Certification and limited review	-	-
c) Bank Charges	856,986	729,111
d) Bad Debts Written-Off	5,540	1,132,322
e) Books & Periodicals	21,092	43,520
f) Business Promotion Charges	4,851,045	3,134,461
g) Commission on Sales	2,946,946	3,518,784
h) Consultancy Charges	185,650,063	39,261,265
i) Directors sitting fees	760,000	720,000
j) Entertainment Expenses	16,667	3,876
k) Insurance	2,112,260	1,908,718
l) Listing Fees	642,387	551,595
m) Membership & Subscription	257,472	198,084
n) Miscellaneous Expenses	1,214,367	462,053
o) Office Expenses	3,375,612	2,175,509
p) Postage and Communication expenses	6,084,213	5,576,624
q) Power & Fuel	3,990,337	3,700,793
r) Printing & Stationery	547,088	478,204
s) Professional Fees	50,672,221	25,206,451
t) Rates & Taxes	3,613,198	2,123,974
u) Rent	24,449,385	21,549,380
v) Repairs & Maintenance Buildings	6,588,046	1,600,984
w) Repairs & Maintenance Others	-	9,720,571
x) Security Charges	883,532	842,070
y) Travelling & Conveyance	25,727,099	21,587,229
z) Vehicle Maintenance	3,786,099	4,403,183
aa) Preliminary Exp W/off	553,370	1,040,706
ab) Amortisation of deferred interest on Rent deposit paid	194,748	192,674
ac) Interest Expenses on rent deposits received	532,051	803,930
<b>Total</b>	<b>333,299,510</b>	<b>153,336,826</b>

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2019

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>31. Exceptional Items</b>		
a) Bad debts written off	-	-
b) Exceptional items- Loss on sale of Invest	-	19,122,348
<b>Total</b>	-	<b>19,122,348</b>
<b>32. Additional Information:</b>		
<b>a) Value of Imports calculated on CIF basis:</b>		
i) Purchases of Stock in Trade	3,221,996	3,395,441
ii) Capital goods	-	-
<b>b) Expenditure in foreign currency: (net of withholding tax)</b>		
i) Purchases	3,221,996	3,395,441
ii) Foreign travel	7,279,029	6,241,773
<b>c) Details of non-resident shareholdings</b>		
i) Number of nonresident share holders	151	167
ii) Number of shares held by nonresident shareholders	485,712	247,257
iii) Amount remitted during the year in foreign currency on account of dividends	-	-
<b>d) Earnings in foreign exchange:</b>		
i) Software Exports & Consultancy	905,479,450	614,784,094
<b>33. Earnings per share:</b>		
<b>(Basic and diluted)</b>		
Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings per Share":		
<b>(a) Before exceptional item</b>		
Profit for the year after tax expense	67,640,416	79,637,678
Weighted average number of equity shares	12,894,848	12,701,561
Paid up value per share	10.00	10.00
Earnings per share (basic & diluted) (*)	5.25	6.27
<b>(b) After exceptional item</b>		
Profit for the year after tax expense	67,640,416	60,515,330
Add: Preference dividend payable including dividend tax	-	-
<b>Total</b>	<b>67,640,416</b>	<b>60,515,330</b>
Weighted average number of equity shares	12,894,848	12,701,561
Paid up value per share	10.00	10.00
Earnings per share (basic & diluted) (*)	5.25	4.76
(*) Effect of potential equity shares is antidilutive		

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2019

### 34. DISCLOSURES AS PER IND AS 19 "EMPLOYEE BENEFITS":

#### (a) Defined Contribution Plan:

Contribution to defined contribution plan are recognized as expense for the year are as under: (Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
Employer's contribution to provident & pension funds	5,076,697	5,146,186

#### (b) Defined Benefit Plan:

The employees' gratuity fund scheme managed by a trust and leave encashment is a defined benefit plan. The Present value of obligation is determined based on actuarial valuation using the projected unit credit method.

(₹ In lakhs)

1. Reconciliation of opening and closing balances of defined benefit obligation:	March 31, 2019		March 31, 2018	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined Benefit obligation at beginning of the year	109.97	49.14	87.80	47.75
Current Service Cost (*)	33.20	-	41.56	-
Interest Cost	8.23	3.36	6.37	3.46
Actuarial (gain)/ loss	(15.58)	17.18	(23.08)	11.57
Benefits Paid	(5.94)	(10.94)	(2.68)	(13.65)
Defined Benefit obligation at end of the year	129.87	58.73	109.97	49.14
Reconciliation of opening and closing balance of fair value of plan assets:				
Fair value of plan assets at beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Employer Contribution	-	-	-	-
Benefits paid	-	-	-	-
Actuarial gain/(loss)	-	-	-	-
Fair value of plan assets at year end	-	-	-	-
Reconciliation of fair value of assets and obligations:				
Fair value of plan assets	-	-	-	-
Present value of obligation	129.87	58.73	109.97	49.14
Amount recognized in Balance Sheet under liabilities:	129.87	58.73	109.97	49.14
2. Expense recognized during the year: (under "Note 28" "Employee Benefit Expenses" in the Statement of Profit and Loss)	March 31, 2019		March 31, 2018	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>In Income Statement:</b>				
Current Service Cost	33.20	-	41.56	-
Interest Cost	8.23	3.36	6.37	3.46
Expected return on plan assets	-	-	-	-
<b>In Other Comprehensive Income:</b>				
Actuarial (gain)/ loss	(15.58)	17.18	(23.08)	11.57
Net Cost	25.84	20.54	24.85	15.03
Actuarial assumptions:	March 31, 2019		March 31, 2018	
Mortality Table	Indian Assured Lives (2006 -08) (Ultimate)	Indian Assured Lives (2006 -08) (Ultimate)	Indian Assured Lives (2006 -08) (Ultimate)	Indian Assured Lives (2006 -08) (Ultimate)
Discount rate (per annum)	7.55%	7.51%	7.69%	7.69%
Expected rate of return on plan assets (per annum)	7.00%	7.00%	7.00%	7.00%

(\*) Leave provision for current year includes provision for short term compensated absence as assessed by the actuary. The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2019

**(c) Sensitivity Analysis:**

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, has been determined based on possible effect of changes of an assumption occurring at end of the reporting period, while holding all other assumptions constant.

(₹ In lakhs)

Particulars	March 31,2019		March 31,2018	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 1.0%)	135.01	125.07	119.00	102.10
Change in rate of salary increase (delta effect of +/- 1.0%)	125.63	134.39	103.13	117.70
Change in rate of Mortality (delta effect of +/- 0.5%)	129.85	129.89	109.94	109.99
Change in rate of Attrition (delta effect of +/- 0.5%)	129.70	130.03	109.77	110.14

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

**Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan assets.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:** The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.



## Notes to Consolidated Financial Statements

For the Year ended March 31, 2019

### 35. RELATED PARTY TRANSACTIONS:

#### (a) Name of related parties and description of relationship where controls exists:

Sl. No.	Name of the Related Party	Relationship
1	Mrs. Shashi Soni Mr. Sanjay Soni Mrs. Kiran Soni Mr. Suraj Kumar Sahu	Key Management Personnel and their relatives ("KMP")
2	Aries Gases Private Limited Deep Heritage Deep Oxygen Private Limited,India Deep Investment Advisory Bangalore Private Limited Si2 Microsystems Private Limited,India D'Gipro Design Automation and Marketing Private Limited Hughes Precision Manufacturing Pvt Ltd D'Gipro Systems Private Limited	Enterprises over which key management personnel and their relatives are able to exercise significant influence

#### (b) Transactions with the related parties

(₹ in Lakhs)

Particulars	Relationship	Current Year	Previous Year
<b>Purchase of goods and services/reimbursement:</b> Si2 Microsystems Private Limited,India	Enterprises over which KMP and their relatives are able to exercise significant influence	489.71	222.68
<b>Rental Income</b> Si2 Microsystems Private Limited,India	Enterprises over which KMP and their relatives are able to exercise significant influence	36.11	31.09
<b>Remuneration paid:</b> Mrs. Shashi Soni Mr. Sanjay Soni Mrs. Kiran Soni Mr. Suraj Kumar Sahu	KMP KMP KMP KMP	15.00 60.00 30.00 6.03	15.00 60.00 30.00 5.62

#### (c) Outstanding balances at the end of the year:

(₹ in Lakhs)

Particulars	Relationship	As at March 31, 2019	As at March 31, 2018
Si2 Microsystems Private Limited,India	Enterprises over which key management personnel and their relatives are able to exercise significant influence	54.99	286.86
D'Gipro Design Automation and Marketing Private Limited		155.22	155.23
D'Gipro Systems Private Limited		-	-

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2019

### 36. OPERATING LEASE (Ind AS 17):

The Company has various operating leases for office facilities which is renewable on a periodic basis, and cancelable at its option. Rental expenses for operating leases included in the financial statements for the year are ₹ 2,44,49,385/- (Previous Year ₹ 2,15,49,380/-).

The details of minimum future rental payable towards non-cancelable lease agreements are as under: (Amount in Rs.)

Particulars	March 31,2019	March 31,2018
	(Rs.)	(Rs.)
Payable not later than year	9,233,926	10,008,779
Later than one year and not less than five years	42,510,393	45,017,861

### 37. Financial risk management objectives and policies:

The entity's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the entity's operations to support its operations. The entity's principal financial assets include trade and other receivables, rental and bank deposits and cash and cash equivalents that are derived directly from its operations. The entity is exposed to market risk/credit and liquidity risks. The entity's senior management oversee the management of these risks. The board reviews their activities. No significant derivative activities have been undertaken so far.

#### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the positions as at March 31, 2019 and March 31, 2018 :

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

#### The following assumption has been made in calculating sensitivity analysis.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018 including the effect of hedge accounting.

#### i. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the some of the vendor payments and customer receivables.

#### ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Company is exposed to credit risk arising from its operating (primarily trade receivables) and investing activities including deposits placed with banks, financial institutions and other corporate deposits. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2019

### 38. Fair Value Measurement ( Ind AS 113):

The Financial Instruments of the Company are initially recorded at fair value and subsequently measured at amortized cost based on the nature and timing of the cash flows.

The below table summarises particulars of Financial Instruments used:

(Amount in Rs.)

Particulars	March 31,2019	March 31,2018
Financial Assets at amortized cost:		
Investments	-	-
Trade Receivables	402,763,139	174,812,636
Other Financial Assets	208,931,306	181,026,278
Cash & cash equivalents	28,118,802	46,985,866
<b>Total Financial Assets</b>	<b>639,813,247</b>	<b>402,824,780</b>
Financial Liabilities at amortized cost:		
Borrowings	83,073,213	111,163,217
Other Financial Liabilities	10,791,550	12,159,472
Trade Payables	351,829,491	80,528,088
<b>Total Financial Liabilities</b>	<b>445,694,254</b>	<b>203,850,777</b>

The Company has not classified any Financial Asset or Liabilities as measured at Fair value through Profit and Loss (FVTPL) or measured at Fair Value through Other Comprehensive Income (FVTOCI).

The Fair Value of the above financial assets and liabilities are measured at amortized cost which is considered to be approximate to their fair values.

### 39 Employee Stock-Option Scheme

The Company has issued ESOP scheme under which Stock Options (ESOP), have been granted to employees. The scheme provides for equity / cash settled grants to employees whereby the employees can purchase equity shares by exercising options as vested at the exercise price specified in the grant. The options granted till March 31, 2019 have a vesting period of maximum 3 years from the date of grant.

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

(Amount in Rs.)

SI No	Particulars	March 31,2019	March 31,2018
i)	Employee Stock Options Expenses	8,833,871	10,217,995
	<b>Total</b>	<b>8,833,871</b>	<b>10,217,995</b>

### 40. Managerial Remuneration

(Amount in Rs.)

SI No	Particulars	March 31,2019	March 31,2018
i)	Salary and allowances	7,068,000	7,068,000
ii)	Contribution to Provident fund	432,000	432,000
	<b>Total</b>	<b>7,500,000</b>	<b>7,500,000</b>

The above amounts do not include Gratuity and Leave encashment benefits as the provisions for these are determined for the Company as a whole and therefore separate amounts for the Directors are not available. Also the above remuneration is excludes certain perquisites and allowances which are directly borne by Company.

Directors remuneration for the current year is sum of Rs.60.00 Lakhs paid to the managing director in accordance with the limits approved by the shareholders at the AGM held on 10th September 2016.

### 41. Commitments

(Amount in Rs.)

SI No	Particulars	March 31, 2019	March 31, 2018
i)	<b>Warranty Costs on Software Sale</b>	<b>Not Quantified</b>	<b>Not Quantified</b>
ii)	On account of Capital expenditure		
	a) Software under development	10,000,000	-
	b) Acquisition of immovable properties	56,200,000	56,200,000

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2019

### 42. Contingent Liabilities (to the extent of which not provided for)

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
Money for which the company is contingently liable:		
Bank Guarantee*	182,000	2,179,110

\*Bank Guarantee issued to Canara Bank, Customer as per terms of contract.

### Contingent Liabilities with respect to Income tax & Transfer Pricing demands in dispute (to the extent of which not provided for)

Name of the statute	Nature of dues	Demand disputed (Amt.in Rs.)	Amount Paid Under Protest (Amt.in Rs.)	AY	Forum where dispute is pending
Income-tax Act, 1961	Transfer pricing	-	-	2005-06	AO to give effect to the ITAT order
Income-tax Act, 1961	Transfer pricing	12,740,080	-	2009-10	Rectification filed with the AO; Appeal filed with the HC
Income-tax Act, 1961	Transfer pricing	36,750,932	7,000,000	2010-11	Appellate Tribunal
Income-tax Act, 1961	Transfer pricing	30,910,300	-	2011-12	Appellate Tribunal
Income-tax Act, 1961	Income-tax	8,423,520	-	2013-14	CIT(A)
Income-tax Act, 1961	Income-tax and Transfer pricing	51,033,800	10,206,761	2014-15	CIT(A)
Karnataka Value Added Tax Act, 2003	CST	389,511	389,511	FY 2010-11	KAT

43. Under the Micro, Small and Medium Enterprises Development Act, 2006, which came into force on October 2, 2006, the company is required to make certain disclosure relating to Micro, Small and Small and Medium Enterprises. The company is in the process of compiling and assimilating the relevant information from its suppliers about their coverage under the Act. Since the relevant information is not readily available, no disclosure have been made in the Accounts.

### 44. Segment Reporting

#### Primary Segments

Based on the guiding principles in Indian Accounting Standard on "Segment Reporting" issued by the Institute of Chartered Accountants of India, classification by geographic segment are the primary reportable segments, comprising of:

- Export
- Domestic

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
<b>Revenue:</b>		
Export *	9054.79	6147.84
Domestic *	161.73	150.82
<b>Net Income from Operations</b>	<b>9,216.52</b>	<b>6298.66</b>
<b>Add: Income from Exceptional Items/Other Income</b>	395.04	507.48
<b>Profit before Depreciation/Tax/Interest/Amortization :</b>		
-from Exports	2,160.00	1693.96
-from Domestic*	(160.11)	(153.36)
Income from Exceptional Items/Other Income	395.04	507.48
<b>Total</b>	<b>2394.93</b>	<b>2048.08</b>
Less: (1) Interest	137.99	118.68
(2) Depreciation/Amortization	1,516.95	1,225.60
<b>Profit Before Taxation</b>	<b>739.99</b>	<b>703.80</b>

## Notes to Consolidated Financial Statements

For the Year ended March 31, 2019

### Segmental Capital Employed:

Assets and Liabilities contracted have not been identified to any of the reportable segments, as the assets are used interchangeably between segments and it is not practicable to reasonably allocate the liabilities to individual segments. Accordingly no disclosure relating to segments assets and liabilities are made.

45. The Company has filed appeals before CIT (A) against the Income tax assessment orders passed with transfer pricing adjustments for the AY 2014-15 and also filed its appeal before the Honourable High Court of Karnataka against order of the ITAT for the AY 2009-10 which are pending disposal as on Balance sheet date.
46. The inter company (between holding and subsidiaries and intra-subsidary) balances as at 31.03.2019 are subject to reconciliation.
47. a) Balances of Sundry Debtors, Loans & Advances are subject to reconciliation and confirmation.  
b) Sundry Debtors includes a sum of Rs. 6.23 Crores of overseas receivables outstanding for over 180 days as at the Balance Sheet date. These overseas receivables are certainly collectible, since we have continuing business relationship based on service agreement entered into. This is getting recovered subsequently during FY 2019-20.  
c) Sundry Debtors more than 180 days is computed from the date it is due for payment.
48. All figures have been rounded-off to the nearest Rupee. Previous Year's figures have been re-grouped/reclassified wherever necessary to conform to the current year presentation.

for and on behalf of the Board

As per my Report of even date

**Sanjay Soni**  
Managing Director

**Shashi Soni**  
Chairperson

**Kiran Soni**  
Chief Financial Officer

**Suraj Kumar Sahu**  
Company Secretary

**Guru Prakash.V**  
Chartered Accountant  
Membership No. 228938

Place: Bangalore

Date: 30th May, 2019

## IZMO Limited

Registered Office: 177/2C, Bilekahalli Industrial Area, Bannerghatta Road, Bengaluru-50076  
Ph.080-67125400 Fax: 080-67125408, [www.izmoltd.com](http://www.izmoltd.com)  
CIN: L72200KA1995PLC018734; Email ID: [Info@izmoltd.com](mailto:Info@izmoltd.com)

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### ATTENDANCE SLIP

Members or their proxies are requested to present this form for the admission, duly signed in accordance with their specimen signatures registered with the Company.

Name of the Shareholder/Proxy	
Registered folio Number	
Number of shares held	

I/we hereby record my/our presence at the 24<sup>th</sup> Annual General Meeting of the members of the Company being held on 25<sup>th</sup> Day of September, 2019, at 09:30 hours at Bharatiya Vidya Bhavan, Race Course Road, Bengaluru – 560 001.

Please (√) in the box

Member  Proxy

Signature of Shareholder/Proxy



## IZMO Limited

Registered Office: 177/2C, Bilekahalli Industrial Area, Bannerghatta Road, Bengaluru-50076  
Ph.080-67125400 Fax: 080-67125408, [www.izmoltd.com](http://www.izmoltd.com)  
CIN: L72200KA1995PLC018734; Email ID: [Info@izmoltd.com](mailto:Info@izmoltd.com)

Form No. MGT-11

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L72200KA1995PLC018734

Name of the Company: IZMO LIMITED

Registered office: #177/2C Bilekahalli Industrial Area, Bannerghatta Road, Bengaluru – 560076

Name of the member (s)	
Registered address	
E-mail Id	
Folio No/ Client Id	
DP ID	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: Address:  E-mail Id:  Signature: _____, or failing him
2. Name:  Address: E-mail Id:  Signature: _____, or failing him
3. Name:  Address:  E-mail Id:  Signature:  as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on the 25 <sup>th</sup> day of September, 2019 at 09:30 Hrs at Bharatiya Vidya Bhavan, Race Course Road, Bengaluru – 560 001 and at any adjournment thereof in respect of such resolutions as are indicated below :



Resolution No.	Resolution	Votes	
		For	Against
<b>Ordinary Business:</b>	<b>Ordinary Resolution:</b>		
01.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2019 and the Auditors' Report thereon and the Report of the Directors' along with the Audited Consolidated Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2019 and the Auditors' Report thereon.		
02.	To re-appoint of Mrs. Shashi Soni (DIN 00609217), who retires by rotation, and being eligible, offers herself for re-appointment.		
<b>Special Business:</b>	<b>Special Resolutions:</b>		
03.	Re-appointment of Mr. Sanjay Soni (DIN-00609097) as Managing Director of the Company		
04.	Re-appointment of Mrs. Shashi Soni as Chairperson and Whole Time Director of the Company		
05.	Re-appointment of Mr. Ramanujam Krishnamurthy (DIN-06940830) as Non-Executive Independent Director of the Company, not liable to retire by rotation for a second term of 5(five) consecutive years		
06.	Re-appointment of Mr. Perur Phaneendra (DIN-06952301) as Non-Executive Independent Director of the Company, not liable to retire by rotation for a second term of 5(five) consecutive years		
07.	Re-appointment of Mr. Vijay Gupta (DIN- 0929401) as Non-Executive Independent Director of the Company, not liable to retire by rotation for a second term of 5(five) consecutive years		

Signed this..... day of ....., 20....

Signature of shareholder

Signature of Proxy holder(s)

**Affix  
Revenue  
Stamp**

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

### **INSTRUCTIONS FOR FILLING, STAMPING, SIGNING AND/OR DEPOSITING THE PROXY FORM.**

If any shareholder is unable to attend the meeting and would like to appoint a proxy to attend and vote on his/her behalf then he/she can appoint a proxy using the proxy form (MGT 11) attached to this Notice.

Following are the instruction for filling the proxy form:

1. Fill in your Name, Address, e-mail id and Address in the space provided;
2. Fill in the number of shares held by you in the space provided;
3. You can appoint more than one proxies, provision for appointing upto 3 proxies is made in the form attached with this notice;
4. Fill in the Name, Address, e-mail id of the proxy;
5. A specimen signature of the person appointed as proxy needs to be appended in the space provided;
6. The instrument of Proxy shall be signed by the Shareholder or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it and proxy holder(s);
7. An instrument of Proxy duly filled, stamped and signed, is valid only for the Meeting to which it relates including any adjournment thereof;
8. An instrument of Proxy is valid only if it is properly stamped by affixing 1 Rupee (One Rupee) Revenue Stamp as per the Indian Stamp Act, 1899. Unstamped or inadequately stamped Proxies or Proxies upon which the stamps have not been cancelled should be considered as invalid.
9. The Proxy-holder shall prove his identity at the time of attending the Meeting.  
Proxies shall be deposited with the company either in person or through post not later than forty-eight hours before the commencement of the Meeting in relation to which they are deposited and a Proxy shall be accepted even on a holiday if the last date by which it could be accepted is a holiday



## CGI Vehicle Imagery

CGI vehicle imagery from izmo helps automotive OEMs to develop high-quality marketing solutions even before their newest models leave the assembly-line.





**izmo ltd.**

P.O. Box 7620, 177/2C, Billekahalli Industrial Area,  
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